

Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

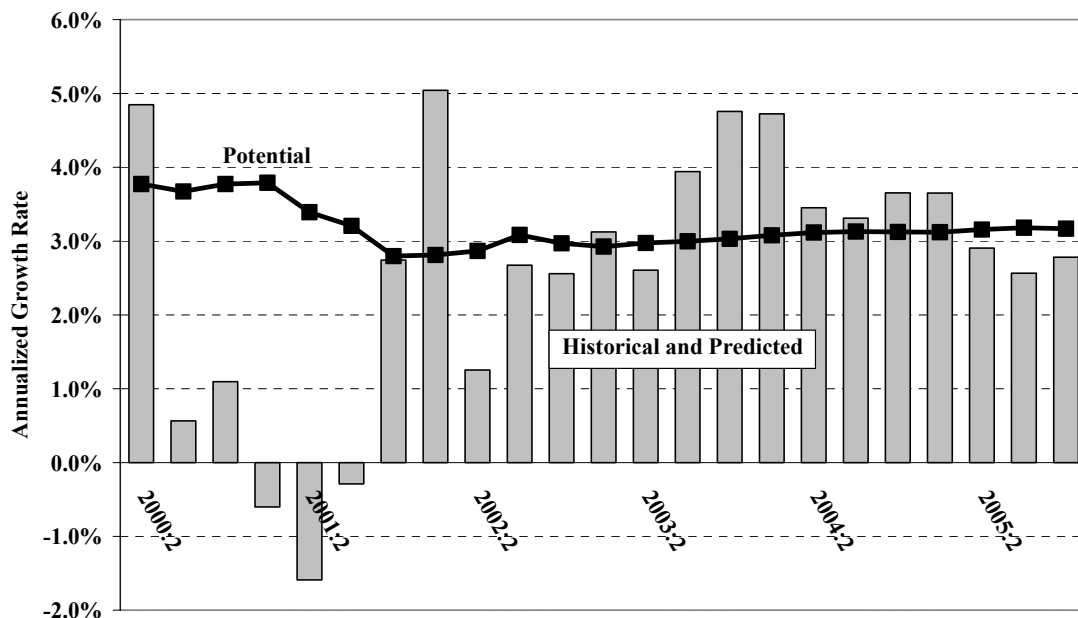
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- Forecast 2002-2005
- The Role of Fiscal Policy
- Alternative Forecasts

U.S. Real GDP Growth



Source: DRI*WEFA

**IDAHO
ECONOMIC
FORECAST
2002 - 2005**

State of Idaho
DIRK KEMPTHORNE
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho. These challenges include competition among agriculture, fisheries, and expanding population, for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the October 2002 DRI*WEFA baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the July 2002 DRI*WEFA baseline national forecast.

The cover graph compares the expected performance of real GDP over the forecast period to its estimated potential. Two things are clear in the graph. First, a look at the predicted real GDP shows it is expected to grow over the forecast period. Or, in other words, the economy is not expected to slip into a double-dip recession. Second, while the economy is projected to grow, it will advance slower than its potential through the first half of next year. After that, real GDP is anticipated to enjoy several quarters of above average growth.

FEATURE

The current recession and the 1990–1991 recession offer contrasting examples of the use of fiscal policy, and they also highlight some elements of the longstanding debate in economics over whether fiscal policy can play a useful role in combating business cycle downturns. During the last U.S. recession, in 1990, then President George H.W. Bush resisted attempts to use fiscal policy to stimulate the economy. In contrast, during the current recession, both Congress and the President have supported increases in expenditures and tax cuts as ways to stimulate economic growth, culminating in the passage of the Economic Recovery Act in March 2002. The feature article in this edition of the *Idaho Economic Forecast* provides as an excellent primer on some of the issues involved in using fiscal policy to help stabilize short-run fluctuations in the economy. This article was written by Carl E. Walsh. He is a Professor at the University of California, Santa Cruz and a Visiting Scholar at the Federal Reserve Bank of San Francisco.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI*WEFA examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1986 to 2005 and for every quarter from 2000 through 2005. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2002.

Descriptions of the DRI*WEFA U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The employment numbers that appear in this publication are based on monthly data collected by the Idaho Department of Labor. The data through the first quarter of this year are final and the second quarter numbers are estimates. All of these data have been seasonally adjusted and converted into quarterly estimates by the Division of Financial Management (DFM). These current data show that Idaho nonfarm

employment in the first quarter of 2002 was nearly 1,700 lower (0.3%) than had been forecast in July 2002. However, the second quarter of 2002 estimates show Idaho nonfarm employment was about 6,700 lower (1.2%) than had been previously forecasted.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the second quarter of 2002. In addition to the 2002 second quarter income estimates, the historical Idaho quarterly income estimates since 1999 were also revised. The BEA will release its next Idaho personal income estimates in late January 2003.

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econ_pub.html. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at http://www.state.id.us/dfm/econ_pub.html.

Printed copies of the *Idaho Economic Forecast* may be requested by contacting:

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EXECUTIVE SUMMARY

The outlook for the state's economy has been scaled back somewhat compared to the previous forecast, with the major differences occurring this year and next. This change results from new historical data that suggest the previous forecast was a bit optimistic. Last July it was predicted Idaho nonfarm employment would grow to 566,695 by the second quarter of 2002. However, the new historical data show it was 560,285—a difference of nearly 6,700 jobs. The revision noted above has lowered the starting point for the Idaho nonfarm employment forecast. However, this is not the only factor affecting its outlook. This measure will feel the pinch of the slower growing U.S. economy. The net result is Idaho nonfarm employment is expected to be down by about 5,200 in 2003 compared to the July 2002 forecast. In 2004 and 2005, the growth pace for Idaho nonfarm employment should accelerate slightly, and this should shrink the job gap between the October and July forecasts. Interestingly, Idaho personal income was understated in the July 2002 forecast. According to recent estimates published by the U.S. Department of Commerce in October 2002, Idaho nominal personal income in the first quarter of 2002 was \$33.6 billion, which is about \$0.4 billion dollars more than had been previously reported. Idaho nominal personal income is expected to rise 5.1% in both 2003 and 2004 and 5.5% in 2005. Previously, this measure was projected to increase 5.4% in 2003 and 5.9% in 2004 and 2005. As is the case with Idaho nonfarm employment, this closes the gap between the Idaho nominal personal income forecasts. However, there is difference worth noting. The nonfarm employment converges from below the previous forecast while the personal income closes in from above the previous projection.

The economy is not expected to slip into another recession in the near future. Although the slow growth has been disappointing, it has been growth nonetheless. The economy should continue moving forward over the forecast period, with real GDP advancing 2.4% in 2002, 3.0% in 2003, 4.0% in 2004, and 3.3% in 2005. Three sectors contributed to the mildness of the recession and have kept the economy from slipping into another one. They are light vehicle sales, housing, and federal government spending. Unlike in recessions past, American consumers kept spending, and this kept the economy from tanking. Debt-service payments are claiming a record share of disposable income despite the drop in interest rates. As a result, consumer spending should become more income constrained. This means spending should grow at about the same pace as disposable income. Fortunately, incomes are expected to rise faster than prices, so consumers should continue to support the recovery. Unfortunately, the housing sector is starting to show signs of weakness after going beyond the call of duty earlier this year. Starts are slipping, as are sales of existing homes. Rising interest rates, along with the uncertain job picture and weak financial markets, present a less-than-ideal culture for future housing expansion. Indeed, U.S. housing starts are expected to decline in 2003, but from a very high level. It is also expected to recover in 2004. The federal government has done its share by spending at an accelerated pace. Through most of the second half of the 1990s, real federal government spending actually declined annually. However, spending is forecast to ramp up in response to the terrorist attacks. One of the questions tied to federal government spending is what would be the economic impacts of a war with Iraq. Interestingly, the most severe impact is likely from the uncertainty of whether the U.S. goes to war. In fact, the economy is already feeling these impacts. For example, current oil prices already reflect a \$3-\$5 per barrel "war premium." The irony is the uncertainty and attendant market jitters will dissipate as soon as the war begins. This was the pattern during the Gulf War and the war in Afghanistan. Much like the earlier conflicts, as soon as the United States makes a decisive move, oil prices are likely to fall, and both confidence and stock prices are likely to rise.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2002

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)										
Current \$	7,813	8,318	8,782	9,274	9,825	10,082	10,459	11,050	11,815	12,534
% Ch	5.6%	6.5%	5.6%	5.6%	5.9%	2.6%	3.7%	5.7%	6.9%	6.1%
1996 Chain-Weighted	7,813	8,159	8,509	8,859	9,191	9,215	9,431	9,710	10,100	10,429
% Ch	3.6%	4.4%	4.3%	4.1%	3.8%	0.3%	2.4%	3.0%	4.0%	3.3%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	27,066	28,931	31,314	32,525	34,009	35,746	37,559	39,624
% Ch	5.7%	4.4%	7.3%	6.9%	8.2%	3.9%	4.6%	5.1%	5.1%	5.5%
Idaho Nonfarm (Millions)	23,298	24,557	26,149	27,901	30,519	31,562	32,902	34,556	36,323	38,403
% Ch	5.6%	5.4%	6.5%	6.7%	9.4%	3.4%	4.2%	5.0%	5.1%	5.7%
U.S. (Billions)	6,547	6,937	7,426	7,786	8,407	8,685	8,960	9,410	9,986	10,593
% Ch	5.6%	6.0%	7.0%	4.9%	8.0%	3.3%	3.2%	5.0%	6.1%	6.1%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,268	27,622	29,158	29,686	30,574	31,313	32,020	32,900
% Ch	3.5%	2.4%	6.2%	5.2%	5.6%	1.8%	3.0%	2.4%	2.3%	2.7%
Idaho Nonfarm (Millions)	23,297	24,088	25,379	26,639	28,418	28,807	29,579	30,271	30,967	31,886
% Ch	3.3%	3.4%	5.4%	5.0%	6.7%	1.4%	2.7%	2.3%	2.3%	3.0%
U.S. (Billions)	6,547	6,805	7,208	7,435	7,828	7,927	8,055	8,243	8,513	8,796
% Ch	3.4%	3.9%	5.9%	3.2%	5.3%	1.3%	1.6%	2.3%	3.3%	3.3%
HOUSING STARTS										
Idaho	9,220	8,865	10,117	10,350	11,536	12,269	11,725	11,038	11,248	10,961
% Ch	-1.5%	-3.9%	14.1%	2.3%	11.5%	6.4%	-4.4%	-5.9%	1.9%	-2.6%
U.S. (Millions)	1,469	1,475	1,621	1,647	1,573	1,603	1,637	1,572	1,711	1,704
% Ch	7.9%	0.4%	9.9%	1.6%	-4.5%	1.9%	2.1%	-3.9%	8.8%	-0.4%
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	492.6	508.7	521.5	539.1	559.2	568.3	562.8	571.2	583.4	597.1
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.6%	-1.0%	1.5%	2.1%	2.4%
U.S. (Millions)	119.6	122.7	125.9	128.9	131.7	131.9	130.8	132.6	136.0	138.4
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.2%	-0.8%	1.4%	2.6%	1.7%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%	2.1%	3.4%	4.2%
Bank Prime	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	4.8%	5.1%	6.4%	7.2%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	6.6%	6.4%	6.2%	7.0%
INFLATION										
GDP Price Deflator	1.9%	1.9%	1.2%	1.4%	2.1%	2.4%	1.3%	2.6%	2.8%	2.7%
Personal Cons Deflator	2.1%	1.9%	1.1%	1.6%	2.5%	2.0%	1.5%	2.6%	2.7%	2.7%
Consumer Price Index	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.7%	2.9%	2.9%	2.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2002

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current \$	10,313	10,377	10,496	10,650	10,811	10,946	11,120	11,322	11,540	11,721	11,904	12,095
% Ch	6.5%	2.5%	4.7%	6.0%	6.2%	5.1%	6.5%	7.5%	7.9%	6.4%	6.4%	6.6%
1996 Chain-Weighted	9,363	9,392	9,455	9,515	9,588	9,650	9,744	9,857	9,972	10,057	10,139	10,230
% Ch	5.0%	1.3%	2.7%	2.6%	3.1%	2.6%	3.9%	4.8%	4.7%	3.5%	3.3%	3.7%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,502	33,566	34,171	34,795	35,136	35,499	35,992	36,358	36,799	37,309	37,843	38,284
% Ch	10.4%	0.8%	7.4%	7.5%	4.0%	4.2%	5.7%	4.1%	4.9%	5.7%	5.8%	4.7%
Idaho Nonfarm (Millions)	32,227	32,745	33,152	33,482	33,970	34,328	34,745	35,183	35,653	36,084	36,526	37,031
% Ch	6.6%	6.6%	5.1%	4.0%	6.0%	4.3%	4.9%	5.1%	5.4%	4.9%	5.0%	5.6%
U.S. (Billions)	8,803	8,914	9,010	9,111	9,251	9,341	9,457	9,592	9,759	9,910	10,059	10,215
% Ch	4.8%	5.1%	4.4%	4.6%	6.3%	4.0%	5.1%	5.8%	7.2%	6.3%	6.1%	6.3%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	30,418	30,270	30,655	30,953	31,075	31,205	31,432	31,541	31,707	31,927	32,153	32,294
% Ch	9.2%	-1.9%	5.2%	4.0%	1.6%	1.7%	2.9%	1.4%	2.1%	2.8%	2.9%	1.8%
Idaho Nonfarm (Millions)	29,260	29,530	29,741	29,786	30,044	30,175	30,342	30,522	30,720	30,878	31,035	31,236
% Ch	5.4%	3.7%	2.9%	0.6%	3.5%	1.8%	2.2%	2.4%	2.6%	2.1%	2.0%	2.6%
U.S. (Billions)	7,993	8,038	8,083	8,105	8,182	8,211	8,259	8,321	8,409	8,480	8,547	8,616
% Ch	3.7%	2.3%	2.2%	1.1%	3.8%	1.5%	2.3%	3.0%	4.3%	3.4%	3.2%	3.3%
HOUSING STARTS												
Idaho	11,534	11,950	11,852	11,562	11,276	11,049	10,924	10,905	11,174	11,247	11,272	11,300
% Ch	2.3%	15.2%	-3.3%	-9.4%	-9.6%	-7.8%	-4.5%	-0.7%	10.2%	2.7%	0.9%	1.0%
U.S. (Millions)	1,725	1,667	1,597	1,558	1,527	1,552	1,584	1,627	1,680	1,719	1,720	1,726
% Ch	44.9%	-12.9%	-15.7%	-9.4%	-7.7%	6.7%	8.6%	11.1%	13.9%	9.5%	0.4%	1.3%
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	564.0	560.3	562.7	564.4	566.4	569.3	572.9	576.2	579.1	581.9	584.7	587.7
% Ch	-1.4%	-2.6%	1.7%	1.2%	1.5%	2.0%	2.5%	2.4%	2.0%	1.9%	1.9%	2.0%
U.S. (Millions)	130.8	130.7	130.8	131.0	131.5	132.0	132.9	134.0	134.9	135.7	136.4	137.2
% Ch	-1.1%	-0.2%	0.4%	0.3%	1.7%	1.6%	2.6%	3.3%	2.8%	2.3%	2.3%	2.2%
SELECTED INTEREST RATES												
Federal Funds	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	2.2%	2.6%	3.0%	3.4%	3.5%	3.8%
Bank Prime	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	5.2%	5.6%	6.0%	6.4%	6.5%	6.8%
Existing Home Mortgage	6.9%	6.8%	6.4%	6.4%	6.4%	6.4%	6.4%	6.5%	6.1%	6.2%	6.3%	6.3%
INFLATION												
GDP Price Deflator	1.3%	1.2%	1.9%	3.4%	3.0%	2.4%	2.5%	2.6%	3.1%	2.9%	3.0%	2.8%
Personal Cons Deflator	1.1%	2.7%	2.1%	3.4%	2.4%	2.5%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%
Consumer Price Index	1.4%	3.4%	2.2%	3.9%	2.6%	2.6%	2.8%	2.8%	2.8%	3.0%	3.1%	3.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2002 through the Fourth Quarter of 2005

If awards were given out for outstanding service to the U.S. economy, three sectors would have received gold stars. They are light vehicle sales, housing, and federal government spending. Together these three sectors contributed to the mildness of the recession and have kept the economy from slipping into another one. Given their importance, it is worthwhile to review how these sectors are expected to perform in the future.

History will record consumers as the heroes of this recession. Unlike in recessions past, Americans kept spending, and this kept the economy from tanking. Of course, they did get some help. Most notably Detroit offered generous financing on vehicles and consumers rushed into showrooms. But this begs the question whether this level of spending can be sustained. It appears not. Consumers rarely retrench, but when jobs are scarce and debts are high, as they are now, the rate of spending slows. Debt-service payments are claiming a record share of disposable income despite the drop in interest rates. As a result, consumer spending should become more income constrained. This means spending should grow at about the same pace as disposable income. Fortunately, incomes are expected to rise faster than prices, so consumers should continue to support the recovery.

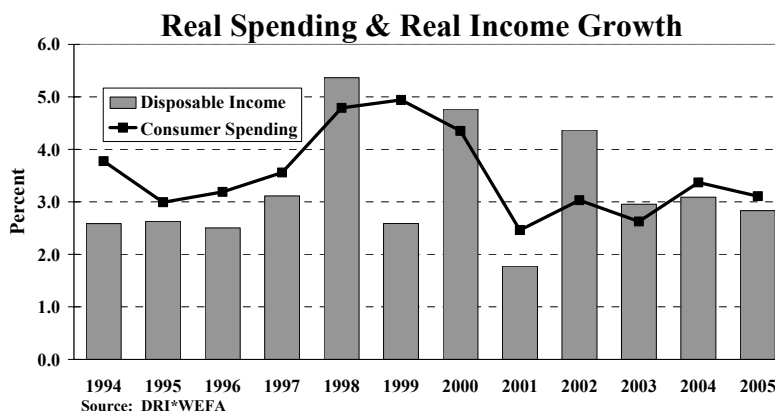
Unfortunately, the housing sector is starting to show signs of weakness after going beyond the call of duty earlier this year. Starts are slipping, as are sales of existing homes. Mortgage refinancing continues its red-hot pace, but evidence suggests lenders are becoming more wary of cash-out financing. It also appears lenders are tightening their standards for borrowers. In addition, it appears mortgage interest rates may have hit bottom and will be rising in the near future. Rising interest rates, along with the uncertain job picture and weak financial markets, present a less-than-ideal culture for future housing expansion. Indeed, U.S. housing starts are expected to decline in 2003, but from a very high level. It is also expected to recover in 2004.

The federal government has done its share by spending at an accelerated pace. Through most of the second half of the 1990s, real federal government spending actually declined annually. However, spending is forecast to ramp up in response to the terrorist attacks. Specifically, real federal government spending should be up 7.6% in 2002 and 5.7% in 2003. One of the questions tied to federal government spending is what would be the economic impacts of a war with Iraq. Interestingly, the most severe impact is likely from the uncertainty of whether the U.S. goes to war. In fact, the economy is already feeling these impacts. For example, current oil prices already reflect a \$3-\$5 per barrel "war premium." The irony is the uncertainty and attendant market jitters will dissipate as soon as the war begins. This was the pattern during the Gulf War and the war in Afghanistan. Much like the earlier conflicts, as soon as the United States makes a decisive move, oil prices are likely to fall, and both confidence and stock prices are likely to rise.

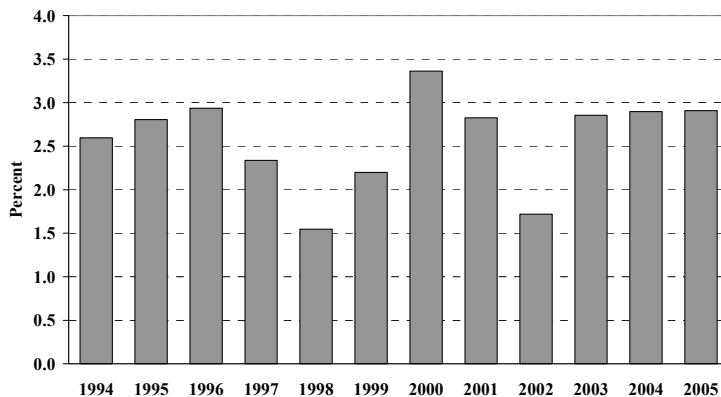
The economy is not expected to slip into another recession in the near future. Although the slow growth has been disappointing, it has been growth nonetheless. The economy should continue moving forward over the forecast period, with real GDP advancing 2.4% in 2002, 3.0% in 2003, 4.0% in 2004, and 3.3% in 2005.

SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: Despite a soft second quarter, real consumer spending is expected to post a relatively strong showing this year. Spending growth is projected to have heated up to a 4.1% annual rate in the third quarter of 2002 thanks to the predicted 41.1% annual growth of motor vehicles and parts. This sector appears well on its way to reaching that level. Fueled by the return of 0% financing and rebates, light vehicle sales soared to annualized rates of 18.1 million in July 2002 and 18.7 million units in August 2002. Of course, this level of sales cannot continue indefinitely. Given the market is approaching saturation, sales are expected to fall back to the 16.0-16.5 million-unit range over the next two quarters. This should weigh down total consumer spending in the third quarter, but not enough to cause a double-dip recession. Vehicle sales are expected to improve later in the forecast period as the introduction of new models once again lures consumers into dealers' showrooms. Specifically, the sales of cars and light trucks are projected to rise from 16.8 million units this year to 17.0 million units next year, then to 17.6 million units in 2004, and 17.5 million units in 2005. Over the next five years, real consumer spending growth should average 3.0% per year. This slower growth results from the sluggish recoveries in employment and household's need to rebuild savings after the stock market correction. Since the outlook for labor is detailed elsewhere in this publication, it will not be repeated here. Instead, we will focus on the need to rebuild household savings. The stock market implosion erased an estimated \$1 trillion in household equity valuation during this year's third quarter, resulting in an estimated \$820 billion decline in household net worth. Since peaking in early 2000, the value of household equity holdings have fallen \$5.3 trillion, while net worth has diminished \$2.9 trillion. The decline in net household income should have a major impact on spending. It has been estimated that households spend about 2.0% of their new wealth. Thus, the decline in net household worth translates into approximately a \$60 billion drop in spending, which is less than 1% of this year's total spending. However, the decline in net worth may have another, subtler, impact. During the last few years, Americans spent more of their income. Rising home values and the soaring stock market was doing the saving for them. Given the declines in the stock market, households will have to make more of an effort to save. As a result, the U.S. savings rate is expected to rise from 3.8% this year to 4.3% next year. Once consumers are comfortable the recovery is under way, they should become less thrifty, and the savings rate should slip to 3.9% in 2005. It has also been speculated that the recent rash of home refinancing would provide an infusion of funding for consumer spending. However, this does not appear to be happening. Instead, consumers are using refinancing to rebuild their net worth. This September the mortgage rate on a 30-year loan dropped below 6.0%. If consumers wanted to fund more spending, we would expect them to reduce their monthly payments by refinancing loans at the lower rate and spending the difference. Instead, a rising share of consumers is actually raising their monthly payments by taking out 15-year mortgages in order to improve their net worth faster.



Consumer Price Inflation



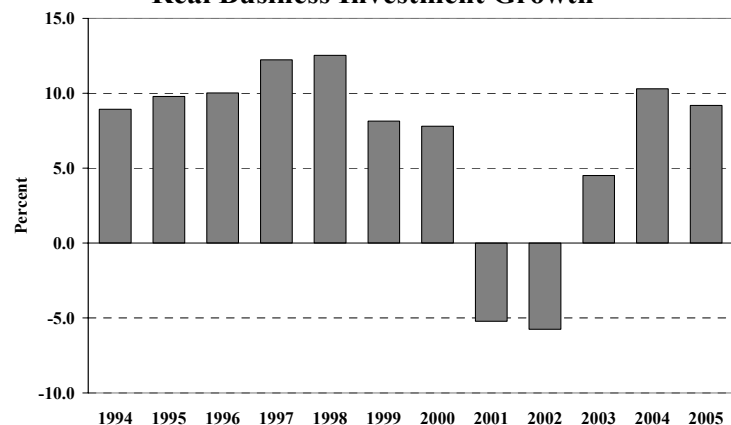
Source: DRI*WEFA

Inflation: The inflation outlook remains benign, with few potential pressure points. Import and agricultural prices are the only current threats to this outlook: Important prices because of the soft dollar and crop prices because of concerns over the dry conditions this summer. Still, recent moves in both areas need to be put into perspective—prices for both are still below what they were last year. Outside of these two pockets of concern, there is little to worry about. Input costs down the supply chains have been stirring in recent months, which is characteristic of the early stages of a recovery. The producer price index for crude materials is up more than 11% since

the beginning of this year. However, like imports and farm prices, it too is lower than it was a year ago. Moreover, there is no evidence that the commodity price increases have moved into finished goods prices. This, too, is common during the early stages of a recovery. Service cost inflation, as measured by the consumer price index for services, has been growing about 3.0% on a year-over-year rate since January 2002. This is down from the 4.0% rate in 2001 and reflects a combination of factors. These factors include fractionally lower labor cost escalation, strong competition in telecommunication services, and softer rental markets. Taken together, the comparatively mild rebound in goods prices next year and lower services cost increases produce a fairly subdued inflation forecast. Specifically, the consumer price index is projected to rise 1.7% in 2002, 2.9% in 2003, 2.9% in 2004, and 2.9% in 2005.

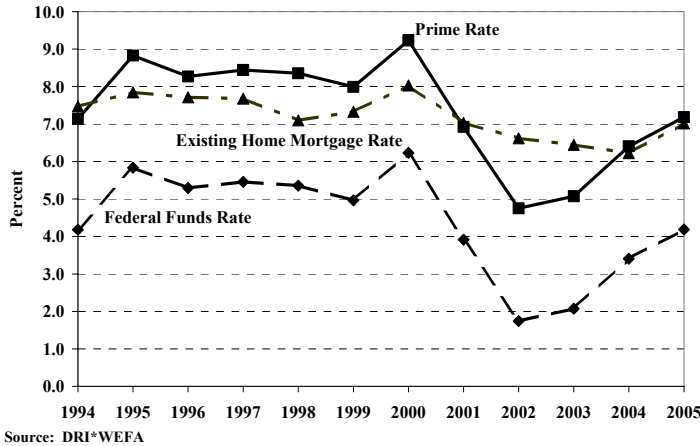
Business Investment: The slide in real business investment is expected to halt by the end of this year, but significant growth is not anticipated until the second half of 2003. As a result, real business investment is expected to shrink over 5.0% for the second straight year in 2002. It is forecast to expand 4.5% in 2003, but at this pace it will not make up the ground lost during the previous two years. Real business investment growth should accelerate over time. In 2004, it is projected to advance a healthy 10.3%. The stronger investment in 2004 versus 2003 is due largely to the expected performance of real nonresidential construction. Specifically, real investment in building is expected to slip 4.8% in 2003 and rise 6.8% in 2004. If there is a silver lining to the 2003 investment decline, it is that the 4.8% drop is major improvement compared to the expected 15.3% drop in 2002. Recent data show just how bad nonresidential construction has been in 2002. It dropped at an annual rate of 17.7% in the second quarter of this year and 8.2% in the third quarter. Data from the U.S. Census Bureau show nonresidential construction has been sliding for 17 months as of August 2002. For a number of reasons, nonresidential construction is not expected to rebound until several quarters after the national outlook improves. First, it takes several months to initiate new construction projects. Second, office vacancy rates are high in most cities, and too many hotel rooms are empty because of previous overbuilding. Third, the soft global economic outlook (and resulting glut of capacity) will delay the rebound in manufacturing construction.

Real Business Investment Growth



Source: DRI*WEFA

Selected Interest Rates

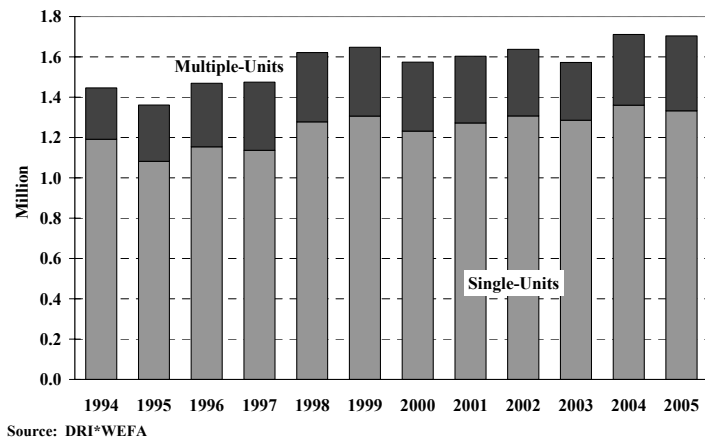


Financial: The Federal Reserve's Federal Open Market Committee is not expected to change its bellwether federal funds rate until the second half of next year. In midsummer, some investors and stock analysis felt the Federal Reserve should rescue the market with lower interest rates, and even built lower rates into their forecasts. The Federal Reserve acknowledged financial market problems and its impacts on aggregate demand in its August 13, 2002 press release. However, it believed increased productivity would foster overall economic growth without lowering the federal funds rate. The

Federal Reserve decided not to change its federal funds rate during its September 24, 2002 meeting. Once again, the Federal Reserve believed rising productivity would lift the economy out its doldrums. However, the Federal Reserve also hinted the recovery was proceeding moderately and pointed out threats to its continued growth. Interestingly, financial markets were not mentioned in this statement. What is clear in both statements is the Federal Reserve's top priority remains price stability and sustainable growth. This goal and the anticipated short-term performance of the economy shape the financial policies assumed in this forecast. While the recovery has been disappointing, the economy has nonetheless been moving forward, as is expected to continue doing so. As a result, the Federal Reserve will have little incentive to lower rates. In fact, the central bank's next move will be to raise rates beginning in the second half of 2003, when the recovery is on solid footing and the Federal Reserve again focuses on keeping the economy from overheating. It is expected to raise the federal fund rate gradually, so by the end of 2005 it should be at 4.5%. While this is more than twice as high as the current rate, it is 200 basis points lower than the 6.5% rate at the end of 2000.

Housing: One of the pillars of the economic recovery, the housing sector, recently developed cracks. The U.S. housing market defied textbook logic during the recovery. Traditionally, consumers are hesitant to take on mortgages soon after an economic calamity, so housing is usually one of the last sectors to recover. However, the U.S. housing sector posted impressive gains in 2001 and 2002. For example, sales of existing and new homes combined rose 4.9% in July 2002. This occurred despite falling consumer confidence, a soft labor market, and slow wage growth. There are

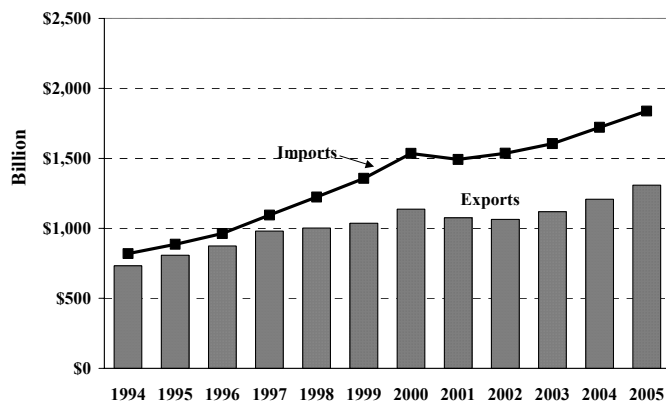
U.S. Housing Starts



several reasons why the housing sector has fared so well. Most obvious has been the decline in mortgage interest rates to record lows boosted the affordability of buying a home. Home ownership was also facilitated by banks that had loosened their borrowing requirements. Soaring prices in some locales made housing a desirable investment, especially compared to the declining stock market. Higher prices also forced many "fence sitters" to purchase a home before they were priced out of the market. As a result of these factors, U.S. housing starts rose to 1.60 million units in 2001 and are expected to rise to 1.64 million units this year. While 2002 shows a slight gain over 2001, the increase took place in the beginning of this year; U.S. housing starts have actually been falling slowly since the

first quarter of 2002. The outlook calls for further softening, with housing starts falling below 1.6 million units for the first time since 2000 in 2003. This forecast reflects the influence of several factors. First, with mortgage interest rates already at record lows, and the Federal Reserve's determination to sit tight on the federal funds rate, it is highly unlikely that mortgage interest rates will drift further south. This should gradually erode the affordability of purchasing a home. Second, banks also appear to be tightening their lending standards in response to an increasing amount of home loans that have soured. Third, housing prices should be coming under some downward pressure, making it a less attractive investment option. Despite these factors, the housing sector is not expected to tank. First, the decreases are projected to be gradual and from very high levels of activity. Second, the anticipated improvement in employment should offset some of the negative factors. Third, real estate markets tend to be regional, so any price drops would be locally contained.

U.S. Imports and Exports



Source: DRI*WEFA

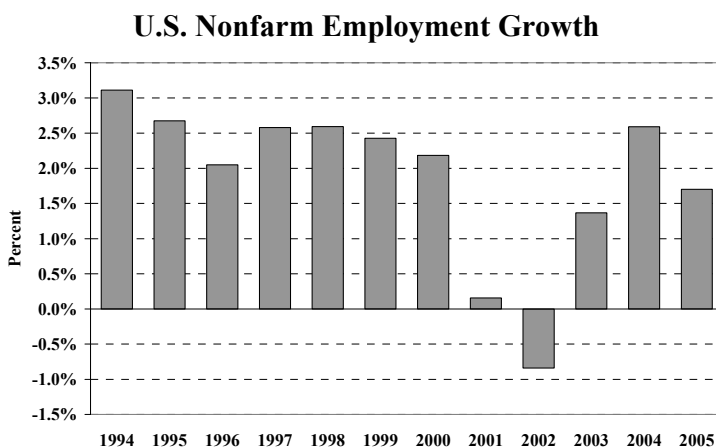
and new orders both declined for the first time since the beginning of the year. Meanwhile, overall economic sentiment in Europe fell back for the third successive month in August, to reach an eight-month low, before edging up in September. Another view of the data show both European businesses and consumers have experienced jitters recently. Business confidence in September remained at its lowest level since February in September. Consumer confidence has remained fairly subdued all year. Leading indicators for the region also make for depressing reading. In particular, the OECD composite leading indicator fell for the third month running in August. On the other hand, Japan's economy showed signs of life during the first half of this year. However, the world's second largest economy is not expected to become a major engine of economic growth until it solves its structural inefficiencies. For example, there is excess employment in construction. Lenient creditors allow bankrupt firms to operate, which keeps excess capacity high and exacerbates deflation. Given the forecast for a sluggish world economic recovery, it is no surprise the United State's real trade deficit is expected to swell from \$473.3 billion in 2002 to \$530.6 billion in 2005.

Employment: Recent improvements in the labor sector do not mean employment has yet turned the corner. In August 2002, the U.S. civilian unemployment rate dropped to 5.7% from the previous month's 5.9%. However, this drop is suspicious in light of other labor statistics. For example, during the summer the economy has a net payroll gain of about 40,000 jobs per month. While this growth is welcomed, it falls far short of the estimated 120,000 jobs it would take just to absorbed new labor-force entrants. As such, it is believed that the U.S. civilian unemployment rate will not peak until early 2003. This forecast reflects the soft outlooks for several key sectors. Manufacturing continues to shed jobs. Recently, manufacturing payrolls have shrunk an average of 30,000 per month. In a more typical expansion, manufacturing employment would be flat, but not declining. The falling manufacturing employment helps account for this sector's impressive productivity gains. Construction employment has also been disappointing. The culprit here is business construction, which is expected to trail the

International: The outlook for one of the world's economic brighter spots, Europe, has dimmed. The anticipated softer performance for this region is based on the well documented slowing of its fragile recovery. According to the September 2002 Purchasing Managers' Survey, activity in the dominant services sector contracted for the first time since December 2001. The survey also reported services employment declined at its fastest rate since the survey began in mid-1998. European manufacturing activity declined in September, which was its first retreat since February 2002. In September, output

overall recovery with a large lag. State and local government building should also be suppressed by strapped budgets. Given the prospects for manufacturing and construction, most of the employment growth is expected to come from services. This sector has already gotten a lift from the economic turnaround, but so far these gains have been largely offset by declines in key sectors that are restructuring. The unwinding of the “new economy” labor excesses reaches beyond the dot-com bust. Perhaps the most publicized is the unfolding of telecom services. In addition, the entire financial sector has had stable

employment, but could begin shedding jobs down the road because of over capacity. It has been estimated that at least half of investment banking employment may have been tied to services that cannot be sold in the current business environment. The transportation sector is still dealing with the slow economy and the fallout from September 11, 2001. State and local governments will provide limited job opportunities as they grapple with huge budget imbalances. Not all the government employment news is bad, however. Federal civilian and military payrolls have done well, thanks to increased spending for homeland security and national defense. Another positive sign is the steady growth in health-care employment. In summary, U.S. employment is about six months away from a steady, but gradual, recovery. The national civilian unemployment rate is anticipated to peak at 6.2% in the first quarter of next year, and then gradually approach the full-employment rate of 5.0% by 2005. After declining 0.8% this year, payroll employment is expected to increase 1.4% next year, 2.6% in 2004, and 1.7% in 2005.



Source: DRI*WEFA

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2002 through the Fourth Quarter of 2005

The outlook for the state's economy has been scaled back somewhat compared to the previous forecast, with the major differences occurring this year and next. In the July 2002 *Idaho Economic Forecast*, nonfarm employment growth was expected to be flat in 2002. This was lowered in the current forecast. Specifically, the October 2002 *Idaho Economic Forecast* shows employment is actually expected to experience a small (1.0%) decline in 2002. This change results from new historical data that suggest the previous forecast was a bit optimistic. Last July it was predicted Idaho nonfarm employment would grow to 566,695 by the second quarter of 2002. However, the new historical data show it was 560,285—a difference of nearly 6,700 jobs.

Interestingly, a review of Idaho personal income reveals a different picture. Specifically, Idaho personal income was understated in the July 2002 forecast. According to recent estimates published by the U.S. Department of Commerce in October 2002, Idaho nominal personal income in the first quarter of 2002 was \$33.6 billion, which is about \$0.4 billion dollars more than had been previously reported. The bulk of this change reflects revisions to Idaho dividend, interest, and rent income and government transfers to individuals.

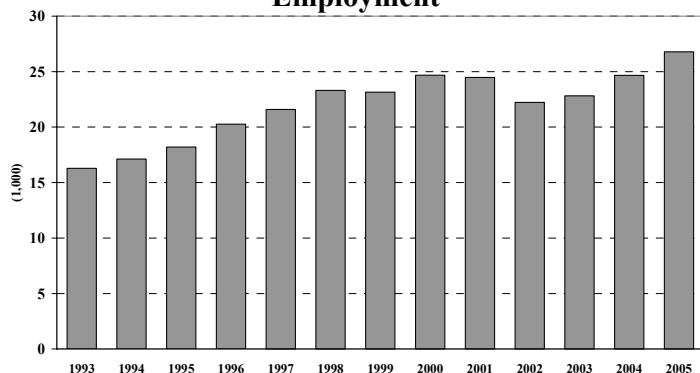
The revision noted above has lowered the starting point for the Idaho nonfarm employment forecast. However, this is not the only factor affecting its outlook. This measure will feel the pinch of the slower growing U.S. economy. Last July, DRI*WEFA projected real GDP would increase 3.5% in 2003, 3.7% in 2004, and 3.1% in 2005. In the current forecast real GDP rises 3.0% in 2003, 4.0% in 2004, and 3.3% in 2005. The net result is Idaho nonfarm employment is expected to be down by about 5,200 in 2003 compared to the July 2002 forecast.

In 2004 and 2005, the growth pace for Idaho nonfarm employment should accelerate slightly. Specifically, Idaho nonfarm employment is expected to grow 2.1% in 2004 and 2.4% in 2005. This is marginally faster than the July 2002 job growth rates of 1.9% in 2004 and 2.2% in 2005. As a result, the job gap between the October and July forecasts shrinks to 3,403 by 2005.

Idaho nominal personal income is expected to rise 5.1% in both 2003 and 2004 and 5.5% in 2005. Previously, this measure was projected to increase 5.4% in 2003 and 5.9% in 2004 and 2005. As is the case with Idaho nonfarm employment, this closes the gap between the Idaho nominal personal income forecasts. However, there is difference worth noting. The nonfarm employment converges from below the previous forecast while the personal income closes in from above the previous projection.

SELECTED IDAHO ECONOMIC INDICATORS

**Idaho Electrical & Nonelectrical
Employment**



Electrical and Nonelectrical Machinery:

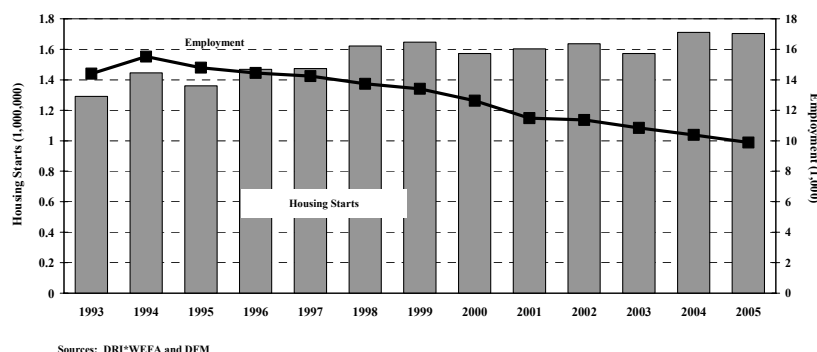
The outlook for the Gem State's largest manufacturing sector, electrical and nonelectrical machinery, has been lowered compared to the previous projection. In the July 2002 *Idaho Economic Forecast*, this sector's employment was expected to end its recent slide in the second quarter of 2002 and continue to grow over the forecast horizon. In this revised forecast, electrical and nonelectrical employment does not advance until the third quarter of 2002 and grows slower in the near term. There are two main reasons for this. Newly released

historical data show DFM's previous prediction for the second quarter was optimistic. Specifically, this sector's employment was expected to grow at a modest 0.8% annual rate in 2002's second quarter. Instead, it actually declined at a 0.5% annual rate. Unfortunately, this was not the biggest setback. Jabil Circuit announced it was closing its two-year old Meridian, Idaho manufacturing plant. This move will idle an estimated 500 high-tech employees by the end of the year. The closure is another setback during one of the high-tech sector's most challenging periods. The ex-Jabil Circuit employees will join the ranks of the approximately 4,000 other Idaho high-tech employees that have lost jobs during the current downturn. In order to understand how this has happened, it is helpful to view the recent history of the high-tech sector. During the second half of the 1990s, U.S. real business investment was an engine of economic growth that grew over 10% annually. High-tech investment did particularly well during this period. Fueled by the widespread use of the World Wide Web, the Telecommunications Act of 1996, and Y2K, combined real spending on software, computers, and communications equipment advanced over 25% per year. In response to this strong demand, the output of office and computer equipment rose nearly 40% per year from 1995 to 2000 and the output of electronic components grew about 50% per year. Idaho's high-tech sector rode the crest of this wave, and its employment growth averaged 6.3% per year from 1995 to 2000. The good times halted in 2001. In that year, real spending on equipment and software declined 4.4%. This put the brakes on office and computer equipment output growth, causing it to slow to just 2.3% in 2001. Electronic component production actually contracted 4.4% last year. Idaho machinery employment shrank 0.8%. It is expected to decline 9.2% this year, then grow 2.6% in 2003, 8.1% in 2004, and 8.6% in 2005.

Lumber and Wood Products:

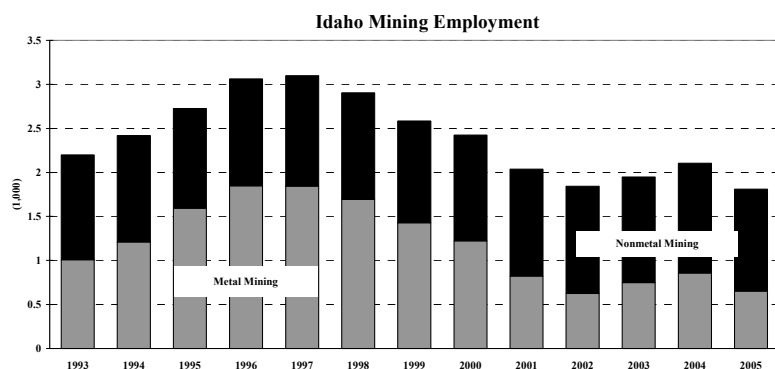
Idaho lumber and wood products employment is expected to continue to shrink over the forecast period despite a relatively strong national housing sector. This is because supply issues and not demand factors will dominate Idaho's lumber and wood products industry's fortunes. Some of these problems have been going on for a while. Like most of the region, the

Idaho Lumber & Wood Products Employment and U.S. Housing Starts



Sources: DRI*WEFA and DFM

health of the Gem State's industry depends on an adequate supply of public timber. Federal records show the amount of timber harvested from federal lands has indeed declined. According to U.S. Department Agriculture, the total amount of timber harvested in Idaho fell from 1.8 million board feet in 1990 to 1.2 billion board feet in 2000, a 31% drop. These data also show that harvests from Idaho national forests fell an astounding 78% over this decade. The toll of this dwindling supply of logs has been high. Approximately 125 jobs were lost when the former Boise Cascade mill in Cascade, Idaho ceased operations in 2001. About 250 jobs were lost last year when the Emmett, Idaho mill was closed. Potlatch shuttered its Jaype Mill near Pierce the previous year, a move that cost about 215 high-paying jobs. Unfortunately, mill closings have become an all-too-frequent occurrence in the West. *Random Lengths* recently reported that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. Ironically, this sector also suffers from low prices because of the glut of wood products on the market. This helps explain why prices were so soft despite demand being so strong recently. The reasons for the excess supply include the strong U.S. dollar, Canadian competition, and the collapse of exports, which have directed more products into the North American market. The good news is the excess supply will eventually disappear. But the bad news is it will result from the anticipated closure of older and less-efficient mills. Idaho lumber and wood products employment is forecast to go from 11,489 in 2001 to 9,882 in 2005.



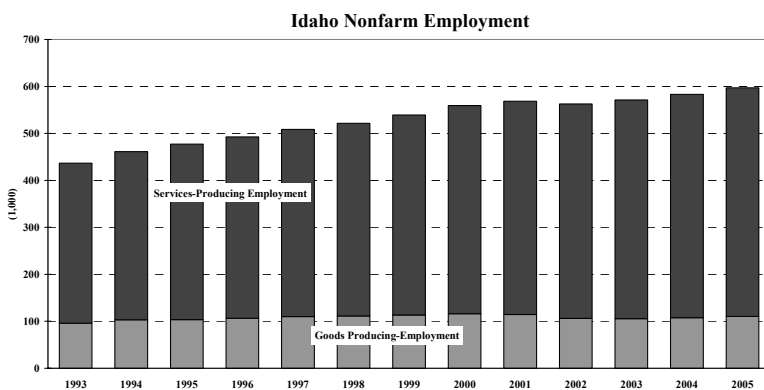
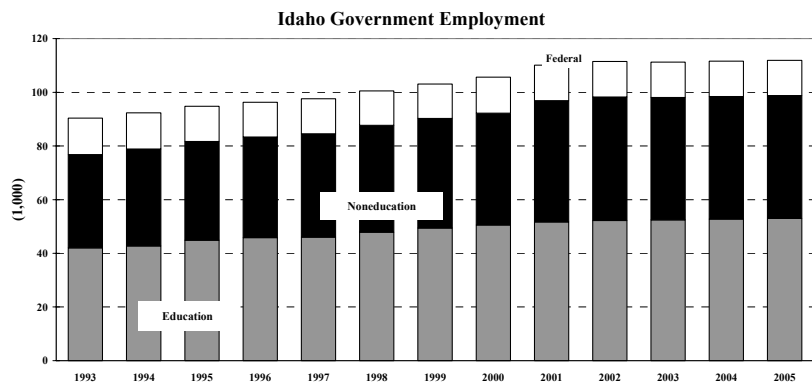
Mining and Chemicals: Like other resource-based sectors, Idaho's mining and chemical industries have struggled recently. Unfortunately, they are not expected to turn around in the near future. The state's mining sector suffered its fourth straight year of employment declines in 2001. After peaking at about 3,100 jobs in 1997 it had just over 2,000 jobs in 2001. Most of the job losses

were in the metal mining component, which shed over 1,000 jobs from 1997 to 2001. The state's chemical sector has also fallen on hard times. Most notably, Astaris closed its Pocatello elemental phosphorus plant after more than a half a century of operation. Job cuts had been anticipated even before the October 11, 2001 closure announcement. Last March, the company reported its plan to shut down three of its four production furnaces and was planning to reduce its work force by half (around 200) by June 2002. The approximately 300 remaining employees and several hundred construction workers lost their jobs when plant permanently closed its doors. Unfortunately, Astaris is not the only Gem State chemical manufacturer to fall on hard times. Kerr-McGee closed its Soda Springs vanadium and phosphate plant due to the low price of vanadium.

Federal, State, and Local Governments: All government sectors in Idaho are projected to experience limited employment growth over the forecast period. A major factor influencing this outlook is the anticipated slowing of Idaho population growth. This connection is well documented by the historical record. To see this, one needs look no further than the previous decade. Idaho's population jumped 28.5% from 1990 to 2000. Historically, huge swings in the Gem State's population are tied to migration. Bolstered by the state's booming economy, newcomers flocked to Idaho. This in-migration wave accounted for two-thirds of the increase in total population. Faced with growing pains that accompanied a fast growing state, all levels of government scrambled to ease the strain on the state's

infrastructure. Idaho state and local government employment advanced over 3.5% annually during the first half of the 1990s in response to rapidly expanding needs. As these needs are met because of the anticipated slowing population growth, the rate of job expansion will slow. But this is not the only factor limiting employment growth. Local government budget caps will also limit employment growth. The

tight state budget picture will also limit government payrolls. Like most states, Idaho is facing budget shortfalls. As a result of these factors, Idaho state and local government payrolls are expected to advance by no more than one-half percent annually through 2005. The fate of federal government employment in Idaho is determined by decisions made in Washington, D.C. While federal spending may be boosted, it remains to be seen how it will benefit Idaho. Increased spending on the military and homeland defense should have a limited impact locally because the U.S. military has a relatively small presence in this state. Idaho federal government employment is anticipated to grow slightly from 13,285 in 2001 to 13,163 in 2005.

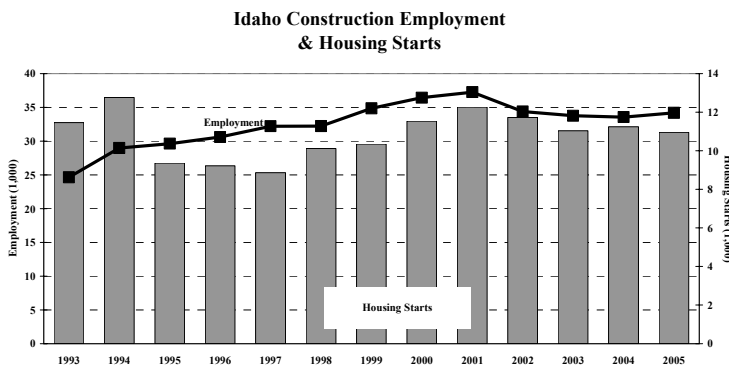


Services-Producing Industries:

Most of the state's economic growth will continue to come from the services sector. This, Idaho's largest and most diverse sector, is anticipated to add jobs over the forecast period. In comparison, the goods-producing sector is expected to decline both this year and next before posting mild gains. Traditionally, the goods-producing sector determined the short-term

fortunes of the services sector. For example, local implement dealers suffered if farmers fell on hard times. Automobile dealerships can trace their most prosperous times to when high-tech manufacturers handed out bonus checks to their employees. Of course, the roles of the goods-producing and services-producing sectors sometimes overlap. For example, construction is classified as a goods-producing activity, but clearly instead being a primary driver of economic activity, its performance is largely driven by activity in other sectors. As the economy evolves, services-based industries are becoming less dependent on other industries. Instead of being driven by local economic activity, they have been drivers. An example of this trend is the growing number of call centers in Idaho. The call centers are involved in a wide range of activities including sales, help lines, telemarketing, customer services, and market research. Call centers also include a wide variety of business sectors. These include manufacturing, transportation, communications, trade, finance, insurance, business services, and research and development. These companies have flourished in Idaho because new technology frees companies from being located near their markets. Instead, they are drawn to Idaho because of its high quality labor force. This has created opportunities in the Gem State that a few years ago would have seemed impossible. For example, Dell Computer recently opened a new service center in Twin Falls, Idaho, although the company is based in Texas. In another example, landlocked Boise is the home to a

Japanese shipping company's scheduling operations. Although the connection between goods- and services-producing sectors have blurred, they have not been severed. In fact, in some cases they have even been reinforced. For example, some manufacturers employ temporary workers employees to meet peak production. As a result, their numbers wax and wane with the manufacturers' business cycle. These workers are often employed by employment services, so they are classified as service employees rather than manufacturing employees. Another trend affecting service employment is the increasing presence of national "big-box" merchandisers in the Gem state. During the 1990s, many Idaho communities' populations achieved the critical mass that attracted these companies. Recent openings by such industry giants as Fred Meyer, Home Depot, and Wal-Mart have provided employment opportunities in both urban and rural communities. Services-producing employment is projected to increase 0.6% in 2002, 2.0% in 2003, 2.1% in 2004, and 2.3% in 2005.



Construction: The employment outlook for the state's construction sector has changed little from the previous forecast. Namely, the number of jobs is expected to contract from 2002 to 2004 before experiencing a mild rebound in 2005. The construction sector had been an important source of jobs during Idaho's record expansion, so its absence over the next few years will be felt. From 1988 to 2001,

construction employment advanced an average of 7.5% per year, which made it one of the state's fastest growing sectors. At this pace, the level of employment nearly tripled from just fewer than 14,000 to 37,537. This stellar growth was largely fueled by the strong demand for housing that was caused by strong in-migration into the Gem State. Housing starts surged from about 3,300 units in 1988 to nearly 12,800 units in 1994. Housing starts did settle down to about 9,400 units in 1995. Since then, total housing starts have hovered in the 9,000- to 11,000-unit range. Fortunately, because Idaho builders were in catch-up mode during most of this period, the state never developed a significant housing inventory surplus. As a result, it did not suffer a housing bust when demand for housing leveled off. Nonresidential construction also deserves credit for this sector's strong showing. Projects such as the Boise Towne Square Mall and the rebuilding of downtown Boise's infrastructure helped boost employment during the early years of the boom. It also provided an important cushion when housing starts dropped in 1995. Several factors point to challenges over the next few years. These include slower Idaho real personal income growth, slower Idaho population growth, and rising mortgage interest rates. Idaho housing starts are expected fall from 12,269 units in 2001 to 10,961 units in 2005. Idaho construction employment is forecast go from 37,267 in 2002 to 34,193 in 2005.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI*WEFA's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2002 to the October 2002 *Idaho Economic Forecast*. The July 2002 Idaho forecast is based on DRI*WEFA's July 2002 baseline forecast and the October 2002 Idaho forecast is driven by DRI*WEFA's October 2002 baseline U.S. macroeconomic forecast.

The table on the facing page highlights some of the differences for several key national and Idaho variables between the current and previous forecast. Even a cursory review of the table would lead to the conclusion the national economic picture has softened since July 2002. This is particularly true for 2003. Rarely has the data been this consistent. The outlook for real GDP is down significantly from the previous forecast. There are three reasons for this. First, a revision to the historical data since the last forecast was published lowered the starting point of the current forecast. Second, inflation is expected to be slightly higher. And third, economic activity is weaker, as can be seen by comparing the differences between nominal GDP for the current and previous forecasts. National nominal personal income has also been downgraded. On average, it is about one percent lower in the current forecast. This gap is wider still when income is adjusted for inflation. This result is consistent with the higher anticipated inflation. National nonfarm employment is much weaker in 2002 and 2003, but is slightly stronger in 2004 and 2005. But this pattern is not consistent across all employment sectors. In fact, there are fewer goods-producing jobs in each year of the forecast. On the other hand, there should be more services-producing jobs after this year than had been previously forecasted.

Likewise, Idaho's economy also suffers over the forecast period, with the roughest year being 2003. In that year, nonfarm employment is 5,400 lower than had been previously forecast. It improves slightly in 2004 and 2005, so the gap is just 3,400 in 2005. Like employment, Idaho personal income converges with its previously forecasted values over time. The major difference is income converges from above while employment approaches from below. The starting point for personal income has been raised significantly due to a revision to the historical data.

IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
OCTOBER 2002 AND JULY 2002 FORECASTS

	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)							
Current \$	6	-48	-126	-153	-202	-152	-123
% Difference	0.1%	-0.5%	-1.2%	-1.4%	-1.8%	-1.3%	-1.0%
1996 Chain-Weighted	2	-33	-119	-140	-201	-173	-160
% Difference	0.0%	-0.4%	-1.3%	-1.5%	-2.0%	-1.7%	-1.5%
PERSONAL INCOME - CURR \$							
Idaho (Millions)	393	486	481	634	586	315	184
% Difference	1.4%	1.6%	1.5%	1.9%	1.7%	0.8%	0.5%
U.S. (Billions)	9	87	-38	-69	-114	-119	-90
% Difference	0.1%	1.1%	-0.4%	-0.8%	-1.2%	-1.2%	-0.8%
PERSONAL INCOME - 1996 \$							
Idaho (Millions)	373	489	430	526	466	196	74
% Difference	1.4%	1.7%	1.5%	1.8%	1.5%	0.6%	0.2%
U.S. (Billions)	8	91	-38	-74	-113	-121	-96
% Difference	0.1%	1.2%	-0.5%	-0.9%	-1.3%	-1.4%	-1.1%
TOTAL NONFARM EMPLOYMENT							
Idaho	-13	-20	381	-5,342	-5,394	-4,304	-3,403
% Difference	0.0%	0.0%	0.1%	-0.9%	-0.9%	-0.7%	-0.6%
U.S. (Thousands)	0	0	0	-148	-562	80	192
% Difference	0.0%	0.0%	0.0%	-0.1%	-0.4%	0.1%	0.1%
GOODS PRODUCING SECTOR							
Idaho	2	-5	387	-1,397	-2,306	-1,949	-1,551
% Difference	0.0%	0.0%	0.3%	-1.3%	-2.1%	-1.8%	-1.4%
U.S. (Thousands)	0	0	0	-88	-651	-769	-574
% Difference	0.0%	0.0%	0.0%	-0.4%	-2.7%	-3.1%	-2.3%
SERVICE PRODUCING SECTOR							
Idaho	-15	-16	-6	-3,946	-3,088	-2,355	-1,851
% Difference	0.0%	0.0%	0.0%	-0.9%	-0.7%	-0.5%	-0.4%
U.S. (Thousands)	0	0	0	-60	89	850	767
% Difference	0.0%	0.0%	0.0%	-0.1%	0.1%	0.8%	0.7%
FINANCIAL MARKETS							
Federal Funds Rate	0.0%	0.0%	0.0%	-0.1%	-0.9%	-1.3%	-1.3%
Bank Prime Rate	0.0%	0.0%	0.0%	-0.1%	-0.9%	-1.3%	-1.3%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	-0.4%	-1.1%	-1.8%	-1.1%
INFLATION							
GDP Price Deflator	0.0	-0.1	0.0	0.0	0.3	0.5	0.6
Personal Cons Deflator	0.0	-0.1	0.0	0.2	0.2	0.3	0.3
Consumer Price Index	0.0	0.0	0.0	0.1	0.2	0.3	0.4

Forecast Begins the **THIRD** Quarter of 2002

ALTERNATIVE FORECASTS

DRI*WEFA has assigned a 55% probability of occurrence to its October 2002 baseline forecast of the U.S. economy. The major features of this forecast includes:

- Real GDP increases 2.4% in 2002, 3.0% in 2003, 4.0% in 2004, and 3.3% in 2005;
- U.S. nonfarm employment declines 0.8% in 2002, advances 1.4% in 2003, 2.6% in 2004, and 1.7% in 2005;
- the annual U.S. civilian unemployment rate peaks at 5.9% in 2003 and falls gradually to 5.0% by 2005;
- the consumer confidence index bounces near 90 through the forecast period;
- consumer inflation is 1.7% in 2002 and averages 2.9% thereafter;
- the federal government runs small annual deficits through 2005;
- and the real trade deficit swells to \$530.6 billion by 2005.

While the baseline forecast is the most probable, other outcomes are also possible. The alternative scenarios considered here diverge in opposite directions from the baseline forecast. In the first, the economy performs better than in the baseline. In the second, the economy falls short of the baseline's showing. One of the biggest concerns is the economy will slip into a double-dip recession. DRI*WEFA has been steadfast in its opinion this will not occur. While in the Pessimistic Alternative economic growth is slower than in the baseline case, the economy does not decline. Both alternatives and their impacts on the Idaho economy are discussed below.

OPTIMISTIC SCENARIO

The major difference between the alternative forecasts is the amount of confidence consumers and business have in the economy. The *Optimistic Scenario* explores the consequences of consumer and business confidence that is elevated above their baseline counterparts. It has been assigned a 15% probability of occurrence. Consumer and business confidence has been on the ropes recently thanks to a combination of factors. Faith in the economy has been pummeled by lay off announcements, the stock market decline, corporate scandals, and threats of war with Iraq. Changes are required to restore confidence.

Fortunately, American institutions are malleable when money is involved. Congress, the Bush administration, the Financial Accounting Standards Board, and Securities and Exchange Commission are all working hard to restore confidence. This scenario assumes their labor bears fruit, and confidence returns sooner than in the baseline case. As a result, real GDP growth returns to its trend faster than in the baseline case. Real GDP advances 2.4% in 2002, 3.9% in 2003, 4.2% in 2004, and 2.8% in 2005. In the baseline case real GDP rises 2.4% in 2002, 3.0% in 2003, 4.0% in 2004, and 3.3% in 2005.

The short-term outlook for Idaho's economy improves as the national recovery arrives ahead of schedule. Idaho nonfarm employment grows faster in this scenario than in the baseline. As a result, there are approximately 3,600 more jobs in 2005 than in the baseline. Of this improvement, about 1,000 jobs are in the goods-producing sector and the remainder is in the services sector. Not surprisingly, Idaho real personal income is also higher in this forecast. By 2005 it is \$33.1 billion compared to the baseline's \$32.9 billion.

IDAHO ECONOMIC FORECAST
CURRENT AND ALTERNATIVE FORECASTS
OCTOBER 2002

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
GDP (BILLIONS)															
Current \$	10,082	10,459	11,050	11,815	12,534	10,082	10,461	11,160	11,976	12,632	10,082	10,444	10,872	11,558	12,327
% Ch	2.6%	3.7%	5.7%	6.9%	6.1%	2.6%	3.8%	6.7%	7.3%	5.5%	2.6%	3.6%	4.1%	6.3%	6.7%
1996 Chain-Weighted	9,215	9,431	9,710	10,100	10,429	9,215	9,434	9,800	10,208	10,489	9,215	9,422	9,576	9,949	10,342
% Ch	0.3%	2.4%	3.0%	4.0%	3.3%	0.3%	2.4%	3.9%	4.2%	2.8%	0.3%	2.2%	1.6%	3.9%	3.9%
PERSONAL INCOME - CURR \$															
Idaho (Millions)	32,525	34,009	35,746	37,559	39,624	32,525	34,020	35,920	37,961	39,916	32,525	34,010	35,458	36,856	38,948
% Ch	3.9%	4.6%	5.1%	5.1%	5.5%	3.9%	4.6%	5.6%	5.7%	5.1%	3.9%	4.6%	4.3%	3.9%	5.7%
U.S. (Billions)	8,685	8,960	9,410	9,986	10,593	8,685	8,960	9,469	10,111	10,682	8,685	8,955	9,303	9,759	10,380
% Ch	3.3%	3.2%	5.0%	6.1%	6.1%	3.3%	3.2%	5.7%	6.8%	5.7%	3.3%	3.1%	3.9%	4.9%	6.4%
PERSONAL INCOME - 1996 \$															
Idaho (Millions)	29,686	30,574	31,313	32,020	32,900	29,686	30,595	31,450	32,295	33,091	29,686	30,602	31,127	31,617	32,570
% Ch	1.8%	3.0%	2.4%	2.3%	2.7%	1.8%	3.1%	2.8%	2.7%	2.5%	1.8%	3.1%	1.7%	1.6%	3.0%
U.S. (Billions)	7,927	8,055	8,243	8,513	8,796	7,927	8,058	8,291	8,601	8,856	7,927	8,057	8,167	8,372	8,680
% Ch	1.3%	1.6%	2.3%	3.3%	3.3%	1.3%	1.7%	2.9%	3.7%	3.0%	1.3%	1.6%	1.4%	2.5%	3.7%
TOTAL NONFARM EMPLOYMENT															
Idaho (Thousands)	568.3	562.8	571.2	583.4	597.1	568.3	562.9	573.6	588.5	600.7	568.3	562.9	568.7	577.0	592.6
% Ch	1.6%	-1.0%	1.5%	2.1%	2.4%	1.6%	-0.9%	1.9%	2.6%	2.1%	1.6%	-0.9%	1.0%	1.5%	2.7%
U.S. (Millions)	131.9	130.8	132.6	136.0	138.4	131.9	130.8	133.2	137.1	139.0	131.9	130.8	131.6	134.5	137.3
% Ch	0.2%	-0.8%	1.4%	2.6%	1.7%	0.2%	-0.8%	1.8%	2.9%	1.4%	0.2%	-0.9%	0.7%	2.2%	2.0%
GOODS PRODUCING SECTOR															
Idaho (Thousands)	114.6	106.4	105.5	107.8	110.5	114.6	106.4	106.7	110.0	111.5	114.6	106.4	104.2	105.5	110.0
% Ch	-1.3%	-7.2%	-0.9%	2.2%	2.6%	-1.3%	-7.1%	0.3%	3.1%	1.4%	-1.3%	-7.2%	-2.1%	1.3%	4.3%
U.S. (Millions)	24.9	23.8	23.6	24.0	24.5	24.9	23.9	23.9	24.6	25.0	24.9	23.8	23.3	23.2	23.9
% Ch	-2.8%	-4.4%	-1.0%	1.5%	2.1%	-2.8%	-4.4%	0.0%	3.2%	1.6%	-2.8%	-4.5%	-2.2%	-0.5%	2.9%
SERVICE PRODUCING SECTOR															
Idaho (Thousands)	453.7	456.4	465.7	475.6	486.6	453.7	456.5	466.9	478.6	489.1	453.7	456.6	464.5	471.6	482.6
% Ch	2.4%	0.6%	2.0%	2.1%	2.3%	2.4%	0.6%	2.3%	2.5%	2.2%	2.4%	0.6%	1.7%	1.6%	2.4%
U.S. (Millions)	107.0	107.0	109.0	112.1	113.9	107.0	107.0	109.3	112.5	114.0	107.0	106.9	108.3	111.3	113.4
% Ch	0.9%	0.0%	1.9%	2.8%	1.6%	0.9%	0.0%	2.2%	2.9%	1.3%	0.9%	0.0%	1.3%	2.8%	1.9%
SELECTED INTEREST RATES															
Federal Funds	3.9%	1.7%	2.1%	3.4%	4.2%	3.9%	1.7%	2.1%	3.4%	4.2%	3.9%	1.7%	1.3%	1.9%	3.0%
Bank Prime	6.9%	4.8%	5.1%	6.4%	7.2%	6.9%	4.8%	5.1%	6.4%	7.2%	6.9%	4.7%	5.1%	4.9%	6.0%
Existing Home Mortgage	7.0%	6.6%	6.4%	6.2%	7.0%	7.0%	6.6%	6.4%	6.2%	6.9%	7.0%	6.6%	6.2%	5.5%	6.6%
INFLATION															
GDP Price Deflator	2.4%	1.3%	2.6%	2.8%	2.7%	2.4%	1.3%	2.7%	3.0%	2.7%	2.4%	1.3%	2.4%	2.3%	2.6%
Personal Cons Deflator	2.0%	1.5%	2.6%	2.7%	2.7%	2.0%	1.5%	2.7%	2.9%	2.6%	2.0%	1.4%	2.5%	2.3%	2.6%
Consumer Price Index	2.8%	1.7%	2.9%	2.9%	2.9%	2.8%	1.7%	2.9%	3.1%	2.9%	2.8%	1.6%	2.7%	2.5%	2.8%

Forecast Begins the THIRD Quarter of 2002

PESSIMISTIC SCENARIO

This scenario has been assigned a 30% probability of occurrence. Again, consumer and business confidence largely drive the U.S. economy. Despite respectable third quarter real GDP growth and ongoing productivity gains, profits elude American businesses. In an effort to improve earnings, companies pare back investment spending and postpone hiring to an even greater extent than in the baseline forecast. The end of the inventory cycle carries the economy through the second half of 2002, but final demand stagnates and consumers grow cautious. Fearful the volatile stock market will drag the economy into another recession, the Federal Reserve lowers the federal funds rate to 1.5% this winter and further to 1.25% in the spring of 2003.

This helps keep the economy afloat, but just barely. The situation never deteriorates into a double-dip recession, largely because of the steady increase in federal spending. After a surge in the first quarter of 2002, real GDP growth hovers in the 0.8-1.5% range through next spring. The unemployment rate rises to 6.5% in the summer of 2003 because most of the growth in output results from productivity gains.

The national economy stumbles in 2003 in this scenario, and so does the Idaho economy. Instead of advancing 1.5% next year, nonfarm employment rises 1.0%. It grows just 1.5% in 2004, compared to the baseline's 2.1% pace. As a result of these two sub-par years, Idaho nonfarm employment in 2005 is about 4,500 less than in the baseline. Idaho real personal income displays a similar pattern. It too grows slower than its baseline counterpart in 2003 and 2004. Although real personal income growth improves in 2005, it is not enough to offset the slow growth in the preceding two years.

The Role of Fiscal Policy

Carl E. Walsh

In recent weeks, a number of signs have appeared suggesting that the recovery of the U.S. economy from the recent recession is on a bumpy path. During the second quarter of 2002, real GDP grew at an anemic annual rate of barely over 1%, well below market expectations. Unemployment, after rising throughout 2001, has leveled off but has yet to show signs of declining. Adding some gloom to the general outlook, the stock market continued to drop through most of July and has remained volatile.

This sluggish economic performance comes despite substantial stimulus from both monetary and fiscal policy. Since January 2001, the Federal Reserve has reduced its benchmark policy interest rate, the federal funds rate, from 6.52% in September 2000 to a current level of 1.75%. Fiscal policy also has become more expansionary. The federal government budget has swung from a surplus of \$236 billion in 2000 (2.5% of GDP) to a projected 2002 *deficit* of \$157 billion (1.5% of GDP) as the government has increased expenditures and reduced taxes.

This active use of fiscal policy during a recession is somewhat unusual. During the last U.S. recession, in 1990, then President George H.W. Bush resisted attempts to use fiscal policy to stimulate the economy. In fact, his Council of Economic Advisers, in their February 1992 report, argued that increases in fiscal expenditures or reductions in taxes might hamper the economy's recovery. In contrast, during the current recession, both Congress and the President have supported increases in expenditures and tax cuts as ways to stimulate economic growth, culminating in the passage of the Economic Recovery Act in March 2002.

The current recession and the 1990–1991 recession offer contrasting examples of the use of fiscal policy, and they also highlight some elements of the longstanding debate in economics over whether fiscal policy can play a useful role in combating business cycle downturns. This *Economic Letter* discusses some of the issues involved in using fiscal policy to help stabilize short-run fluctuations in the economy.

Automatic stabilizers and discretionary fiscal policy

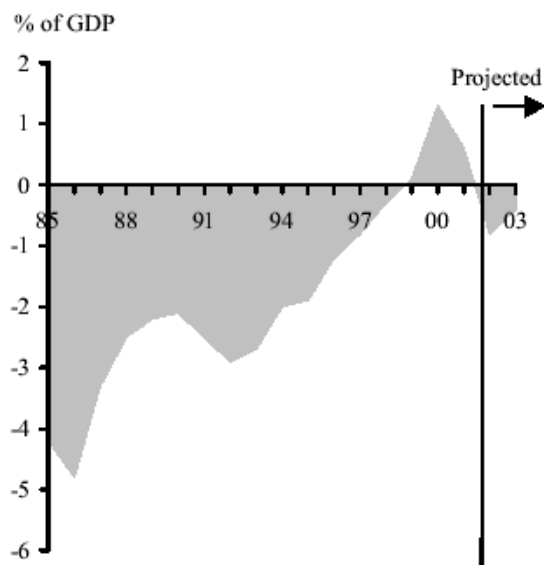
As economic activity fluctuates, fiscal expenditures and taxes respond automatically in ways that stabilize the economy. For example, during an economic slowdown, government spending on unemployment benefits rises automatically as the unemployment rate rises. This increase in spending is automatic in that it does not require explicit actions by Congress or the President. Similarly, tax payments decline automatically when the economy goes into a recession. Auerbach and Feenberg (2000) have estimated that automatic tax stabilizers offset about 8% of the impact of an economic shock to GDP. While the automatic adjustments of federal spending and taxes work to stabilize the economy, not all automatic fiscal adjustments are stabilizing. State and local governments also see their tax revenues fall during recessions, but, because

many of these governments must balance their budgets annually, they often must cut spending during recessions.

In addition to the automatic responses of fiscal policy, governments may make discretionary fiscal changes in the face of an economic downturn. Expansionary fiscal policy aims to boost demand and output in the economy either directly, through greater government expenditures, or indirectly, through tax reductions that stimulate private consumption and investment spending.

The standardized surplus provides a good way to measure these discretionary changes by correcting the actual budget surplus for changes due to the effects of automatic stabilizers. Figure 1 shows the standardized surplus based on the Congressional Budget Office's (CBO) April 2002 projections. It illustrates the swing in discretionary fiscal policy since 2000, with the standardized surplus falling from 1.3% of GDP in 2000 to a projected deficit of 0.8% of GDP for 2002. Legislated fiscal actions taken since January 2001 reduced the standardized surplus by 0.5% of GDP in 2001 and will reduce it by a projected 1.2% of GDP in 2002.

Figure 1
The standardized surplus



The problem of lags

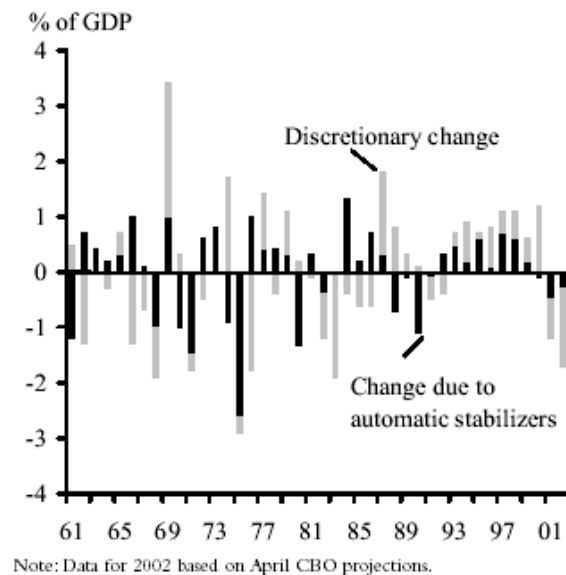
The chief argument against using discretionary fiscal policy to combat recessions emphasizes the long lags involved in changing fiscal policy in the U.S. The recent U.S. experience illustrates this problem. Evidence appeared in late 2000 that the economy was slowing. Congress did pass a tax cut in 2001, but this was part of President Bush's legislative agenda before any hint of an economic slowdown. It took Congress until March 2002 to pass the Economic Recovery Act to provide further stimulus to the economy. In contrast, when signs emerged in December 2000 that the economy had slowed, the

monetary policymaking committee of the Federal Reserve was able to convene a quick telephone meeting and to start cutting interest rates in January 2001.

Most postwar recessions in the U.S. have been short, lasting on average just under 11 months. By the time a fiscal program is starting to boost business and consumer demand—that is, after policymakers recognize that economic growth has slowed, propose a fiscal package, debate it, pass it, and send it to the President for his signature—the economy is already likely to be recovering. For this reason, discretionary fiscal policy in the U.S. is generally viewed as too unwieldy for dealing with the typical, mild recessions experienced in recent decades.

Figure 2 shows the contribution of automatic stabilizers and discretionary fiscal changes to the total change in the federal surplus (figures for 2002 are based on the April CBO projections). A positive value means that the surplus has increased (the deficit has shrunk) and therefore represents a contractionary shift in the budget; a negative value represents a more expansionary policy. During the recessions in 1970, 1974–1975, and 1990–1991, almost the entire shift to a larger deficit was the result of automatic stabilizers at work. In contrast, in the current recession both automatic and discretionary fiscal policy changes have worked to reduce the surplus. Notice, however, that the automatic stabilizers began to work in 1999, while the major shift in discretionary fiscal policy did not occur until later, when the economy had already entered a recession.

Figure 2
Changes in the federal surplus



The role of future fiscal policy

Expectations of future fiscal actions, and not just current expenditures and taxes, also can affect the economy. The distinction between current changes in spending or taxes and expected future changes is important because households and firms consider future economic conditions, as well as current conditions, in making their spending decisions. The impact of a change in fiscal policy today will depend on how it affects individuals' expectations about future government spending and taxes.

A tax cut, for example, leaves more disposable income in the hands of households. If the tax cut is viewed as temporary, though, it may have a much smaller effect on household spending than a permanent tax cut would. In contrast, some temporary tax changes can have larger effects on spending than permanent changes. For example, an investment tax credit that temporarily lowers the cost of investment projects can lead firms to schedule their spending to take advantage of the tax credit. Both current and future fiscal actions must be considered in assessing the impact of fiscal policy on the economy.

Can fiscal expansions be contractionary?

When expectations of future fiscal policy are important, “expansionary” fiscal policy—an increase in government spending, for example—may actually be contractionary. For example, if a government is already running a large deficit, spending increases might lead financial markets to question the solvency of the government or to expect that taxes will need to be raised in the future. This can cause long-term interest rates to rise, restraining

current investment spending and negating the expansionary effects of the government spending. This argument was made by the President's Council of Economic Advisers (CEA) at the time of the 1990–1991 recession. In the 1992 *Economic Report of the President* (p. 25), the CEA argued that

...an attempted stimulus that abandoned, or was perceived to abandon, serious discipline on the growth of future spending or on the reduction in the multiyear structural deficit probably would produce a substantial rise in interest rates. That would offset a large portion of the direct stimulus in the short run and would leave the economy thereafter with a higher cost of capital, which would be detrimental to investment necessary for long-run growth.

Theoretically, then, contractionary spending may increase demand, and expansionary spending may decrease demand. But is there any evidence to suggest such outcomes might occur in practice? The answer, it turns out, is yes. Alesina, Perotti, and Tavares (1998) find that deficit reductions are more likely to be expansionary if they involve cuts in government spending on government wages and transfers. Such cuts may signal a decline in permanent government spending and therefore create expectations of lower future taxes. In contrast, deficit reductions achieved through tax increases do seem to be contractionary.

Interactions with monetary policy

Both fiscal and monetary policies affect aggregate demand. But because discretionary fiscal policy changes in the U.S. are often difficult to enact in a timely fashion, automatic fiscal stabilizers and discretionary monetary policy are commonly viewed as the primary policy tools for macroeconomic stabilization. However, there are situations in which monetary policy might be unable to stimulate the economy, and discretionary fiscal policy would be needed to combat a recession. In the face of a recession, central banks reduce interest rates, but no central bank can lower interest rates below zero. If interest rates fall to zero, as occurred in the U.S. during the Great Depression and in Japan in recent years, monetary policy may be unable to stimulate the economy further, and discretionary fiscal policy would be needed to expand the economy.

Conclusions

Automatic fiscal stabilizers help moderate economic fluctuations. The contribution discretionary fiscal policy can make in combating economic recessions is more debatable. The long lags that typically characterize major changes in fiscal policy weaken the role discretionary policy can play during the relatively short recessions the U.S. has experienced. In some cases, the direct impact of current fiscal spending and taxation may be reduced or even offset as households and firms react to the expectation of future fiscal actions. While the situation would differ should the U.S. economy suffer a major economic downturn or should the Federal Reserve's benchmark interest rate reach zero, monetary policy and automatic fiscal stabilizers remain the first line of defense for ensuring short-run economic stability.

References

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IDAHO ECONOMIC FORECAST

OCTOBER 2002

FORECAST DETAIL

Annual Forecast 1986-2005 Page 32

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Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by DRI*WEFA and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2002

DEMOGRAPHICS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
POPULATION										
Idaho (Thousands)	990.5	986.6	988.5	996.7	1,013.1	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0
% Ch	-0.3%	-0.4%	0.2%	0.8%	1.6%	2.8%	3.0%	3.4%	3.3%	2.8%
National (Millions)	240.9	243.1	245.3	247.7	250.6	253.9	257.4	260.7	263.9	267.0
% Ch	0.9%	0.9%	0.9%	1.0%	1.2%	1.3%	1.3%	1.3%	1.2%	1.2%
BIRTHS										
Idaho (Thousands)	16.4235	15.905	15.759	15.863	16.423	16.741	17.197	17.575	17.690	17.915
% Ch	-6.4%	-3.2%	-0.9%	0.7%	3.5%	1.9%	2.7%	2.2%	0.7%	1.3%
National (Thousands)	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0	3,964.0	3,935.0
% Ch	-0.1%	1.4%	2.7%	3.4%	2.9%	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%
DEATHS										
Idaho (Thousands)	7.345	7.307	7.611	7.389	7.358	7.644	7.887	8.277	8.478	8.553
% Ch	3.4%	-0.5%	4.2%	-2.9%	-0.4%	3.9%	3.2%	4.9%	2.4%	0.9%
National (Thousands)	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0	2,264.0	2,291.0
% Ch	0.9%	0.9%	2.1%	-0.8%	0.6%	0.0%	2.2%	1.2%	1.2%	1.2%
NET MIGRATION										
Idaho (Thousands)	-12.389	-12.542	-6.249	-0.251	7.323	19.017	21.659	27.168	27.115	22.652
HOUSING										
HOUSING STARTS										
Idaho	4,164	3,409	3,334	4,674	5,832	6,600	9,584	11,457	12,766	9,363
% Ch	-4.0%	-18.1%	-2.2%	40.2%	24.8%	13.2%	45.2%	19.5%	11.4%	-26.7%
National (Millions)	1.812	1.631	1.488	1.382	1.203	1.009	1.201	1.292	1.446	1.361
% Ch	4.0%	-10.0%	-8.7%	-7.1%	-12.9%	-16.2%	19.1%	7.5%	12.0%	-5.9%
SINGLE UNITS										
Idaho	3,157	2,744	2,981	3,711	4,786	5,662	7,900	8,939	9,420	7,281
% Ch	-1.7%	-13.1%	8.6%	24.5%	29.0%	18.3%	39.5%	13.1%	5.4%	-22.7%
National (Millions)	1.182	1.154	1.083	1.006	0.901	0.835	1.032	1.131	1.191	1.082
% Ch	10.4%	-2.4%	-6.2%	-7.1%	-10.5%	-7.3%	23.6%	9.6%	5.4%	-9.2%
MULTIPLE UNITS										
Idaho	1,007	665	353	963	1,046	938	1,684	2,518	3,346	2,082
% Ch	-10.5%	-33.9%	-47.0%	173.2%	8.6%	-10.3%	79.6%	49.5%	32.9%	-37.8%
National (Millions)	0.630	0.476	0.405	0.376	0.303	0.174	0.170	0.161	0.255	0.279
% Ch	-6.1%	-24.3%	-15.0%	-7.2%	-19.5%	-42.6%	-2.4%	-5.1%	58.3%	9.4%
HOUSING STOCK										
Idaho (Thousands)	322.1	324.8	327.1	330.1	334.8	339.8	347.4	356.9	368.7	377.8
% Ch	1.1%	0.8%	0.7%	0.9%	1.4%	1.5%	2.2%	2.7%	3.3%	2.4%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2002

DEMOGRAPHICS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
POPULATION										
Idaho (Thousands)	1,203.2	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7	1,336.1	1,350.4	1,365.7	1,380.7
% Ch	2.2%	2.1%	1.9%	1.9%	1.8%	1.7%	1.2%	1.1%	1.1%	1.1%
National (Millions)	270.1	273.4	276.6	279.7	282.7	285.4	288.0	290.5	293.0	295.6
% Ch	1.2%	1.2%	1.2%	1.1%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS										
Idaho (Thousands)	18.482	18.599	19.188	19.897	20.304	20.684	20.834	20.973	21.213	21.444
% Ch	3.2%	0.6%	3.2%	3.7%	2.0%	1.9%	0.7%	0.7%	1.1%	1.1%
National (Thousands)	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0	3,925.0	3,955.3
% Ch	-0.6%	-0.5%	-0.3%	-0.2%	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%
DEATHS										
Idaho (Thousands)	8.679	8.953	9.105	9.488	9.538	9.811	9.942	10.065	10.195	10.323
% Ch	1.5%	3.2%	1.7%	4.2%	0.5%	2.9%	1.3%	1.2%	1.3%	1.3%
National (Thousands)	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0	2,507.0	2,528.0
% Ch	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
NET MIGRATION										
Idaho (Thousands)	16.417	15.583	13.836	12.974	12.659	10.645	4.603	3.345	4.318	3.876
HOUSING										
HOUSING STARTS										
Idaho	9,220	8,865	10,117	10,350	11,536	12,269	11,725	11,038	11,248	10,961
% Ch	-1.5%	-3.9%	14.1%	2.3%	11.5%	6.4%	-4.4%	-5.9%	1.9%	-2.6%
National (Millions)	1.469	1.475	1.621	1.647	1.573	1.603	1.637	1.572	1.711	1.704
% Ch	7.9%	0.4%	9.9%	1.6%	-4.5%	1.9%	2.1%	-3.9%	8.8%	-0.4%
SINGLE UNITS										
Idaho	7,850	7,659	9,045	9,199	10,394	10,446	10,317	9,947	10,114	9,948
% Ch	7.8%	-2.4%	18.1%	1.7%	13.0%	0.5%	-1.2%	-3.6%	1.7%	-1.6%
National (Millions)	1.154	1.136	1.278	1.306	1.232	1.273	1.307	1.286	1.360	1.332
% Ch	6.7%	-1.6%	12.4%	2.2%	-5.7%	3.3%	2.7%	-1.6%	5.8%	-2.1%
MULTIPLE UNITS										
Idaho	1,371	1,206	1,072	1,151	1,142	1,823	1,408	1,091	1,134	1,013
% Ch	-34.2%	-12.0%	-11.1%	7.4%	-0.8%	59.6%	-22.8%	-22.5%	3.9%	-10.7%
National (Millions)	0.314	0.338	0.344	0.341	0.341	0.330	0.330	0.287	0.351	0.372
% Ch	12.7%	7.6%	1.6%	-0.7%	0.1%	-3.2%	-0.2%	-13.0%	22.5%	5.9%
HOUSING STOCK										
Idaho (Thousands)	386.2	393.7	402.3	411.3	421.2	432.1	442.5	452.5	462.3	472.0
% Ch	2.2%	1.9%	2.2%	2.2%	2.4%	2.6%	2.4%	2.3%	2.2%	2.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2002

OUTPUT, INCOME, & WAGES

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GROSS DOM. PRODUCT (Billions)										
Current Dollars	4,453	4,742	5,108	5,489	5,803	5,986	6,319	6,642	7,054	7,401
% Ch	5.7%	6.5%	7.7%	7.5%	5.7%	3.2%	5.6%	5.1%	6.2%	4.9%
1996 Chain-Weighted	5,912	6,113	6,368	6,592	6,708	6,676	6,880	7,063	7,348	7,544
% Ch	3.4%	3.4%	4.2%	3.5%	1.8%	-0.5%	3.1%	2.7%	4.0%	2.7%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	11,851	12,422	13,354	14,721	16,055	16,825	18,382	20,105	21,399	22,869
% Ch	2.4%	4.8%	7.5%	10.2%	9.1%	4.8%	9.3%	9.4%	6.4%	6.9%
Idaho Nonfarm (Millions)	11,377	11,838	12,722	13,863	15,081	16,026	17,581	19,040	20,706	22,073
% Ch	2.3%	4.1%	7.5%	9.0%	8.8%	6.3%	9.7%	8.3%	8.7%	6.6%
National (Billions)	3,712	3,963	4,272	4,600	4,903	5,085	5,390	5,610	5,888	6,201
% Ch	5.6%	6.7%	7.8%	7.7%	6.6%	3.7%	6.0%	4.1%	5.0%	5.3%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	16,296	16,453	17,022	17,982	18,749	18,923	20,061	21,431	22,357	23,359
% Ch	-0.1%	1.0%	3.5%	5.6%	4.3%	0.9%	6.0%	6.8%	4.3%	4.5%
Idaho Nonfarm (Millions)	15,645	15,680	16,217	16,934	17,610	18,024	19,187	20,296	21,632	22,545
% Ch	-0.1%	0.2%	3.4%	4.4%	4.0%	2.4%	6.5%	5.8%	6.6%	4.2%
National (Billions)	5,105	5,249	5,447	5,619	5,726	5,720	5,883	5,980	6,152	6,334
% Ch	3.1%	2.8%	3.8%	3.2%	1.9%	-0.1%	2.9%	1.7%	2.9%	3.0%
PER CAPITA PERS INC - CURR \$										
Idaho	11,965	12,591	13,510	14,769	15,847	16,159	17,144	18,133	18,688	19,430
% Ch	2.7%	5.2%	7.3%	9.3%	7.3%	2.0%	6.1%	5.8%	3.1%	4.0%
National	15,410	16,301	17,414	18,571	19,566	20,025	20,945	21,520	22,316	23,226
% Ch	4.7%	5.8%	6.8%	6.6%	5.4%	2.3%	4.6%	2.7%	3.7%	4.1%
PER CAPITA PERS INC - 1996 \$										
Idaho	16,453	16,677	17,221	18,041	18,508	18,174	18,710	19,330	19,526	19,846
% Ch	0.3%	1.4%	3.3%	4.8%	2.6%	-1.8%	2.9%	3.3%	1.0%	1.6%
National	21,191	21,592	22,203	22,687	22,850	22,523	22,860	22,941	23,316	23,725
% Ch	2.2%	1.9%	2.8%	2.2%	0.7%	-1.4%	1.5%	0.4%	1.6%	1.8%
AVERAGE ANNUAL WAGE										
Idaho	17,183	17,620	18,337	18,892	19,760	20,556	21,477	21,963	22,723	23,620
% Ch	3.2%	2.5%	4.1%	3.0%	4.6%	4.0%	4.5%	2.3%	3.5%	3.9%
National	21,283	22,267	23,314	24,071	25,178	26,089	27,466	27,872	28,358	29,224
% Ch	3.9%	4.6%	4.7%	3.2%	4.6%	3.6%	5.3%	1.5%	1.7%	3.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2002

OUTPUT, INCOME, & WAGES

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GROSS DOM. PRODUCT (Billions)										
Current Dollars	7,813	8,318	8,782	9,274	9,825	10,082	10,459	11,050	11,815	12,534
% Ch	5.6%	6.5%	5.6%	5.6%	5.9%	2.6%	3.7%	5.7%	6.9%	6.1%
1996 Chain-Weighted	7,813	8,159	8,509	8,859	9,191	9,215	9,431	9,710	10,100	10,429
% Ch	3.6%	4.4%	4.3%	4.1%	3.8%	0.3%	2.4%	3.0%	4.0%	3.3%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	27,066	28,931	31,314	32,525	34,009	35,746	37,559	39,624
% Ch	5.7%	4.4%	7.3%	6.9%	8.2%	3.9%	4.6%	5.1%	5.1%	5.5%
Idaho Nonfarm (Millions)	23,298	24,557	26,149	27,901	30,519	31,562	32,902	34,556	36,323	38,403
% Ch	5.6%	5.4%	6.5%	6.7%	9.4%	3.4%	4.2%	5.0%	5.1%	5.7%
National (Billions)	6,547	6,937	7,426	7,786	8,407	8,685	8,960	9,410	9,986	10,593
% Ch	5.6%	6.0%	7.0%	4.9%	8.0%	3.3%	3.2%	5.0%	6.1%	6.1%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,268	27,622	29,158	29,686	30,574	31,313	32,020	32,900
% Ch	3.5%	2.4%	6.2%	5.2%	5.6%	1.8%	3.0%	2.4%	2.3%	2.7%
Idaho Nonfarm (Millions)	23,297	24,088	25,379	26,639	28,418	28,807	29,579	30,271	30,967	31,886
% Ch	3.3%	3.4%	5.4%	5.0%	6.7%	1.4%	2.7%	2.3%	2.3%	3.0%
National (Billions)	6,547	6,805	7,208	7,435	7,828	7,927	8,055	8,243	8,513	8,796
% Ch	3.4%	3.9%	5.9%	3.2%	5.3%	1.3%	1.6%	2.3%	3.3%	3.3%
PER CAPITA PERS INC - CURR \$										
Idaho	20,091	20,535	21,611	22,676	24,102	24,628	25,452	26,470	27,500	28,697
% Ch	3.4%	2.2%	5.2%	4.9%	6.3%	2.2%	3.3%	4.0%	3.9%	4.4%
National	24,239	25,376	26,852	27,836	29,736	30,435	31,115	32,393	34,077	35,842
% Ch	4.4%	4.7%	5.8%	3.7%	6.8%	2.4%	2.2%	4.1%	5.2%	5.2%
PER CAPITA PERS INC - 1996 \$										
Idaho	20,090	20,143	20,975	21,652	22,444	22,478	22,882	23,188	23,445	23,828
% Ch	1.2%	0.3%	4.1%	3.2%	3.7%	0.2%	1.8%	1.3%	1.1%	1.6%
National	24,239	24,893	26,063	26,580	27,689	27,779	27,973	28,375	29,051	29,760
% Ch	2.2%	2.7%	4.7%	2.0%	4.2%	0.3%	0.7%	1.4%	2.4%	2.4%
AVERAGE ANNUAL WAGE										
Idaho	24,110	24,811	25,826	26,963	28,668	28,682	29,736	30,795	31,905	33,092
% Ch	2.1%	2.9%	4.1%	4.4%	6.3%	0.0%	3.7%	3.6%	3.6%	3.7%
National	30,325	31,702	33,316	34,680	36,717	37,526	38,405	39,864	41,758	43,732
% Ch	3.8%	4.5%	5.1%	4.1%	5.9%	2.2%	2.3%	3.8%	4.8%	4.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

PERSONAL INCOME -- CURR \$\$

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	5,930	6,171	6,704	7,247	7,971	8,533	9,307	9,991	10,916	11,725
% Ch	0.8%	4.1%	8.6%	8.1%	10.0%	7.1%	9.1%	7.3%	9.3%	7.4%
National (Billions)	2,114	2,270	2,453	2,597	2,755	2,824	2,983	3,085	3,237	3,425
% Ch	6.0%	7.4%	8.0%	5.9%	6.1%	2.5%	5.6%	3.4%	4.9%	5.8%
FARM PROPRIETORS INCOME										
Idaho (Millions)	331	443	471	683	771	601	603	839	410	496
% Ch	9.0%	33.9%	6.4%	45.1%	12.8%	-22.1%	0.3%	39.3%	-51.2%	21.1%
National (Billions)	23	29	26	32	31	26	33	30	32	22
% Ch	6.8%	26.1%	-10.2%	23.3%	-3.0%	-15.3%	23.9%	-7.8%	6.0%	-30.5%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	1,171	1,249	1,368	1,483	1,563	1,515	1,833	2,139	2,342	2,264
% Ch	3.8%	6.7%	9.5%	8.4%	5.4%	-3.1%	21.0%	16.7%	9.5%	-3.3%
National (Billions)	256	275	313	330	350	358	402	432	445	476
% Ch	4.1%	7.5%	13.8%	5.4%	6.1%	2.3%	12.3%	7.5%	3.0%	6.9%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	2,393	2,444	2,587	2,912	3,122	3,254	3,367	3,554	3,925	4,377
% Ch	2.3%	2.1%	5.9%	12.5%	7.2%	4.3%	3.5%	5.6%	10.4%	11.5%
National (Billions)	718	758	824	932	987	1,006	999	1,019	1,087	1,164
% Ch	5.1%	5.6%	8.8%	13.1%	5.9%	2.0%	-0.8%	2.1%	6.7%	7.1%
OTHER LABOR INCOME										
Idaho (Millions)	838	888	943	1,029	1,143	1,265	1,415	1,591	1,725	1,714
% Ch	2.5%	6.0%	6.2%	9.1%	11.2%	10.7%	11.8%	12.5%	8.4%	-0.6%
National (Billions)	298	319	336	361	390	416	450	483	507	497
% Ch	5.7%	6.9%	5.4%	7.2%	8.2%	6.6%	8.2%	7.4%	5.1%	-2.1%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,522	1,572	1,680	1,812	1,972	2,192	2,442	2,626	2,777	3,012
% Ch	5.7%	3.3%	6.9%	7.9%	8.8%	11.2%	11.4%	7.5%	5.8%	8.5%
National (Billions)	449	469	497	540	594	670	752	799	834	886
% Ch	6.7%	4.4%	6.0%	8.7%	10.0%	12.7%	12.2%	6.2%	4.4%	6.2%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	434	454	525	587	641	704	756	817	900	949
% Ch	4.1%	4.5%	15.7%	11.8%	9.2%	9.8%	7.5%	8.0%	10.2%	5.5%
National (Billions)	146	157	177	192	204	215	227	238	254	269
% Ch	8.9%	7.8%	12.8%	8.3%	6.3%	5.6%	5.3%	5.0%	6.8%	5.8%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	101	110	127	142	154	169	173	183	204	230
% Ch	18.4%	8.9%	14.7%	12.3%	8.6%	9.2%	2.8%	5.3%	11.8%	12.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

PERSONAL INCOME -- CURR \$\$

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	12,316	13,109	13,973	15,041	16,569	16,861	17,340	18,221	19,277	20,453
% Ch	5.0%	6.4%	6.6%	7.6%	10.2%	1.8%	2.8%	5.1%	5.8%	6.1%
National (Billions)	3,626	3,889	4,193	4,470	4,836	4,951	5,024	5,286	5,681	6,050
% Ch	5.9%	7.2%	7.8%	6.6%	8.2%	2.4%	1.5%	5.2%	7.5%	6.5%
FARM PROPRIETORS INCOME										
Idaho (Millions)	585	344	580	699	432	587	715	785	811	780
% Ch	17.9%	-41.1%	68.5%	20.5%	-38.2%	35.9%	21.7%	9.8%	3.3%	-3.8%
National (Billions)	34	30	26	28	23	19	14	29	36	36
% Ch	54.4%	-13.3%	-13.9%	8.3%	-18.5%	-15.6%	-24.2%	97.7%	26.5%	0.9%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,337	2,408	2,602	3,040	3,256	3,334	3,507	3,741	3,975	4,177
% Ch	3.2%	3.0%	8.1%	16.8%	7.1%	2.4%	5.2%	6.7%	6.2%	5.1%
National (Billions)	510	551	598	651	692	709	748	798	849	892
% Ch	7.4%	8.0%	8.5%	8.8%	6.4%	2.4%	5.5%	6.7%	6.3%	5.1%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	4,650	5,044	5,470	5,479	5,977	6,197	6,309	6,542	6,815	7,205
% Ch	6.2%	8.5%	8.4%	0.2%	9.1%	3.7%	1.8%	3.7%	4.2%	5.7%
National (Billions)	1,238	1,327	1,451	1,446	1,599	1,638	1,662	1,709	1,780	1,893
% Ch	6.3%	7.2%	9.4%	-0.3%	10.6%	2.4%	1.5%	2.8%	4.1%	6.3%
OTHER LABOR INCOME										
Idaho (Millions)	1,728	1,681	1,726	1,801	1,941	1,997	2,156	2,300	2,402	2,530
% Ch	0.8%	-2.7%	2.6%	4.3%	7.8%	2.9%	8.0%	6.7%	4.4%	5.3%
National (Billions)	490	475	491	510	544	570	609	645	679	717
% Ch	-1.4%	-3.0%	3.2%	4.0%	6.7%	4.8%	6.7%	6.0%	5.2%	5.5%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	3,285	3,394	3,499	3,680	3,938	4,383	4,880	5,108	5,288	5,550
% Ch	9.1%	3.3%	3.1%	5.2%	7.0%	11.3%	11.3%	4.7%	3.5%	5.0%
National (Billions)	929	962	984	1,018	1,070	1,170	1,288	1,348	1,396	1,466
% Ch	4.8%	3.6%	2.2%	3.5%	5.1%	9.4%	10.0%	4.7%	3.5%	5.1%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	987	1,045	1,102	1,181	1,275	1,320	1,384	1,459	1,548	1,644
% Ch	4.0%	5.8%	5.5%	7.2%	7.9%	3.5%	4.9%	5.4%	6.1%	6.2%
National (Billions)	280	298	316	337	358	372	385	405	435	462
% Ch	4.3%	6.2%	6.2%	6.7%	6.2%	3.9%	3.4%	5.2%	7.3%	6.2%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	260	292	321	374	476	485	486	509	540	574
% Ch	12.9%	12.3%	10.0%	16.5%	27.3%	1.9%	0.2%	4.8%	6.0%	6.3%

National Variables Forecast by DRI*WEFA
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IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
TOTAL NONFARM EMPLOYMENT										
Idaho	328,269	333,455	348,271	366,021	385,337	398,119	416,607	436,727	461,162	477,375
% Ch	-2.3%	1.6%	4.4%	5.1%	5.3%	3.3%	4.6%	4.8%	5.6%	3.5%
National (Thousands)	99,344	101,953	105,202	107,883	109,404	108,255	108,591	110,692	114,135	117,188
% Ch	2.0%	2.6%	3.2%	2.5%	1.4%	-1.1%	0.3%	1.9%	3.1%	2.7%
GOODS PRODUCING SECTOR										
Idaho	69,607	70,343	75,620	80,312	85,479	86,523	90,496	96,083	103,292	103,403
% Ch	-5.4%	1.1%	7.5%	6.2%	6.4%	1.2%	4.6%	6.2%	7.5%	0.1%
National (Thousands)	24,536	24,673	25,123	25,253	24,909	23,749	23,232	23,351	23,906	24,275
% Ch	-1.2%	0.6%	1.8%	0.5%	-1.4%	-4.7%	-2.2%	0.5%	2.4%	1.5%
MANUFACTURING										
Idaho	52,102	54,054	58,136	60,573	62,890	63,220	65,753	69,253	71,888	71,043
% Ch	-4.7%	3.7%	7.6%	4.2%	3.8%	0.5%	4.0%	5.3%	3.8%	-1.2%
National (Thousands)	18,948	18,998	19,315	19,391	19,075	18,405	18,106	18,076	18,323	18,526
% Ch	-1.6%	0.3%	1.7%	0.4%	-1.6%	-3.5%	-1.6%	-0.2%	1.4%	1.1%
DURABLE MANUFACTURING										
Idaho	25,523	26,830	29,559	32,176	34,064	33,145	34,794	37,499	40,636	42,130
% Ch	-4.6%	5.1%	10.2%	8.9%	5.9%	-2.7%	5.0%	7.8%	8.4%	3.7%
National (Thousands)	11,195	11,154	11,363	11,394	11,107	10,568	10,279	10,222	10,448	10,684
% Ch	-2.3%	-0.4%	1.9%	0.3%	-2.5%	-4.9%	-2.7%	-0.6%	2.2%	2.3%
LUMBER & WOOD PRODUCTS										
Idaho	13,240	13,379	13,984	14,747	14,897	13,470	14,004	14,408	15,521	14,795
% Ch	-2.0%	1.1%	4.5%	5.5%	1.0%	-9.6%	4.0%	2.9%	7.7%	-4.7%
National (Thousands)	724	754	768	757	733	675	680	709	754	769
% Ch	1.8%	4.1%	1.8%	-1.4%	-3.1%	-7.9%	0.7%	4.3%	6.3%	2.0%
STONE, CLAY, GLASS, etc.										
Idaho	2,761	2,804	2,878	3,276	3,387	3,291	3,199	3,364	3,853	4,220
% Ch	-0.8%	1.6%	2.7%	13.8%	3.4%	-2.8%	-2.8%	5.2%	14.5%	9.5%
National (Thousands)	1,977	1,954	1,996	2,014	1,975	1,877	1,843	1,856	1,920	1,977
% Ch	-2.2%	-1.2%	2.2%	0.9%	-1.9%	-5.0%	-1.8%	0.7%	3.4%	3.0%
ELEC & NONELEC MACH										
Idaho	7,652	8,422	9,577	11,096	12,596	13,197	14,476	16,271	17,114	18,192
% Ch	-10.3%	10.1%	13.7%	15.9%	13.5%	4.8%	9.7%	12.4%	5.2%	6.3%
National (Thousands)	3,864	3,777	3,853	3,869	3,768	3,591	3,457	3,456	3,560	3,692
% Ch	-4.7%	-2.2%	2.0%	0.4%	-2.6%	-4.7%	-3.7%	0.0%	3.0%	3.7%
OTHER DURABLES										
Idaho	1,870	2,225	3,120	3,057	3,184	3,186	3,115	3,455	4,148	4,922
% Ch	-3.6%	19.0%	40.2%	-2.0%	4.2%	0.1%	-2.2%	10.9%	20.0%	18.7%
National (Thousands)	4,631	4,669	4,747	4,755	4,632	4,426	4,299	4,200	4,214	4,246
% Ch	-0.9%	0.8%	1.7%	0.2%	-2.6%	-4.4%	-2.9%	-2.3%	0.3%	0.7%

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IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL NONFARM EMPLOYMENT										
Idaho	492,570	508,742	521,535	539,115	559,243	568,295	562,825	571,194	583,350	597,099
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.6%	-1.0%	1.5%	2.1%	2.4%
National (Thousands)	119,589	122,671	125,851	128,904	131,719	131,925	130,817	132,606	136,042	138,354
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.2%	-0.8%	1.4%	2.6%	1.7%
GOODS PRODUCING SECTOR										
Idaho	106,567	109,915	111,257	113,570	116,063	114,585	106,390	105,470	107,757	110,527
% Ch	3.1%	3.1%	1.2%	2.1%	2.2%	-1.3%	-7.2%	-0.9%	2.2%	2.6%
National (Thousands)	24,491	24,958	25,415	25,508	25,675	24,947	23,843	23,601	23,963	24,472
% Ch	0.9%	1.9%	1.8%	0.4%	0.7%	-2.8%	-4.4%	-1.0%	1.5%	2.1%
MANUFACTURING										
Idaho	72,906	74,614	76,124	76,131	77,190	75,281	70,167	69,757	72,097	74,524
% Ch	2.6%	2.3%	2.0%	0.0%	1.4%	-2.5%	-6.8%	-0.6%	3.4%	3.4%
National (Thousands)	18,494	18,671	18,806	18,555	18,477	17,695	16,753	16,528	16,660	16,948
% Ch	-0.2%	1.0%	0.7%	-1.3%	-0.4%	-4.2%	-5.3%	-1.3%	0.8%	1.7%
DURABLE MANUFACTURING										
Idaho	44,068	45,537	47,177	47,142	47,939	46,273	42,912	42,585	44,229	45,975
% Ch	4.6%	3.3%	3.6%	-0.1%	1.7%	-3.5%	-7.3%	-0.8%	3.9%	3.9%
National (Thousands)	10,788	11,008	11,205	11,112	11,143	10,636	9,921	9,685	9,756	9,978
% Ch	1.0%	2.0%	1.8%	-0.8%	0.3%	-4.6%	-6.7%	-2.4%	0.7%	2.3%
LUMBER & WOOD PRODUCTS										
Idaho	14,446	14,242	13,737	13,406	12,627	11,489	11,361	10,843	10,385	9,882
% Ch	-2.4%	-1.4%	-3.6%	-2.4%	-5.8%	-9.0%	-1.1%	-4.6%	-4.2%	-4.9%
National (Thousands)	778	796	813	835	830	786	766	752	763	783
% Ch	1.1%	2.3%	2.2%	2.6%	-0.5%	-5.3%	-2.5%	-1.9%	1.4%	2.6%
STONE, CLAY, GLASS, etc.										
Idaho	4,340	4,414	4,335	4,529	4,484	4,467	3,885	3,709	3,709	3,699
% Ch	2.8%	1.7%	-1.8%	4.5%	-1.0%	-0.4%	-13.0%	-4.5%	0.0%	-0.3%
National (Thousands)	1,992	2,031	2,071	2,088	2,119	2,053	1,974	1,975	2,014	2,037
% Ch	0.8%	1.9%	2.0%	0.8%	1.5%	-3.1%	-3.8%	0.1%	1.9%	1.1%
ELEC & NONELEC MACH										
Idaho	20,266	21,584	23,309	23,152	24,671	24,469	22,226	22,811	24,659	26,784
% Ch	11.4%	6.5%	8.0%	-0.7%	6.6%	-0.8%	-9.2%	2.6%	8.1%	8.6%
National (Thousands)	3,775	3,857	3,913	3,808	3,848	3,641	3,257	3,076	3,024	3,131
% Ch	2.2%	2.2%	1.5%	-2.7%	1.0%	-5.4%	-10.6%	-5.5%	-1.7%	3.6%
OTHER DURABLES										
Idaho	5,017	5,297	5,797	6,056	6,157	5,848	5,441	5,222	5,475	5,610
% Ch	1.9%	5.6%	9.4%	4.5%	1.7%	-5.0%	-7.0%	-4.0%	4.9%	2.5%
National (Thousands)	4,243	4,325	4,408	4,382	4,346	4,155	3,924	3,882	3,956	4,027
% Ch	-0.1%	1.9%	1.9%	-0.6%	-0.8%	-4.4%	-5.6%	-1.1%	1.9%	1.8%

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EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	26,579	27,224	28,577	28,396	28,825	30,075	30,958	31,754	31,252	28,913
% Ch	-4.7%	2.4%	5.0%	-0.6%	1.5%	4.3%	2.9%	2.6%	-1.6%	-7.5%
National (Thousands)	7,753	7,845	7,952	7,997	7,968	7,837	7,827	7,854	7,875	7,842
% Ch	-0.5%	1.2%	1.4%	0.6%	-0.4%	-1.6%	-0.1%	0.4%	0.3%	-0.4%
FOOD PROCESSING										
Idaho	15,412	16,099	17,334	16,984	16,806	17,488	17,820	18,564	18,020	17,506
% Ch	-7.1%	4.5%	7.7%	-2.0%	-1.0%	4.1%	1.9%	4.2%	-2.9%	-2.9%
National (Thousands)	1,607	1,617	1,626	1,645	1,661	1,667	1,662	1,680	1,679	1,693
% Ch	0.4%	0.6%	0.6%	1.1%	1.0%	0.4%	-0.3%	1.1%	-0.1%	0.8%
CANNED, CURED, & FROZEN										
Idaho	9,867	10,612	11,331	11,225	11,065	11,747	12,094	12,532	11,706	10,865
% Ch	-9.8%	7.5%	6.8%	-0.9%	-1.4%	6.2%	3.0%	3.6%	-6.6%	-7.2%
OTHER FOOD PROCESSING										
Idaho	5,545	5,487	6,003	5,759	5,742	5,741	5,725	6,032	6,314	6,641
% Ch	-1.7%	-1.0%	9.4%	-4.1%	-0.3%	0.0%	-0.3%	5.4%	4.7%	5.2%
PAPER, PRINTING, PUBLISH.										
Idaho	5,946	6,066	6,373	6,592	6,976	7,179	7,172	7,144	7,089	7,118
% Ch	-0.6%	2.0%	5.1%	3.4%	5.8%	2.9%	-0.1%	-0.4%	-0.8%	0.4%
National (Thousands)	2,123	2,177	2,232	2,251	2,266	2,223	2,197	2,209	2,230	2,239
% Ch	1.2%	2.5%	2.5%	0.9%	0.6%	-1.9%	-1.2%	0.5%	0.9%	0.4%
CHEMICALS										
Idaho	3,335	3,273	3,536	3,523	3,554	3,903	4,277	4,250	4,135	2,345
% Ch	-6.6%	-1.9%	8.0%	-0.3%	0.9%	9.8%	9.6%	-0.6%	-2.7%	-43.3%
National (Thousands)	1,021	1,025	1,057	1,074	1,086	1,076	1,084	1,081	1,057	1,038
% Ch	-2.2%	0.4%	3.2%	1.6%	1.1%	-0.9%	0.8%	-0.3%	-2.2%	-1.8%
OTHER NONDURABLES										
Idaho	1,886	1,786	1,335	1,297	1,488	1,505	1,690	1,795	2,008	1,944
% Ch	6.9%	-5.3%	-25.3%	-2.8%	14.8%	1.1%	12.3%	6.2%	11.9%	-3.2%
National (Thousands)	3,002	3,026	3,037	3,027	2,955	2,871	2,883	2,885	2,910	2,872
% Ch	-1.6%	0.8%	0.3%	-0.3%	-2.4%	-2.9%	0.4%	0.1%	0.9%	-1.3%
MINING										
Idaho	2,893	2,568	3,280	3,673	3,873	3,086	2,605	2,199	2,419	2,726
%Ch	-24.9%	-11.2%	27.7%	12.0%	5.4%	-20.3%	-15.6%	-15.6%	10.0%	12.7%
National (Thousands)	777	717	712	691	709	689	634	609	601	581
%Ch	-16.1%	-7.7%	-0.7%	-3.0%	2.6%	-2.8%	-8.0%	-3.9%	-1.5%	-3.3%
METAL MINING										
Idaho	1,919	1,595	2,140	2,612	2,754	1,994	1,453	1,007	1,211	1,593
%Ch	-26.2%	-16.9%	34.2%	22.1%	5.5%	-27.6%	-27.1%	-30.7%	20.2%	31.6%
OTHER MINING										
Idaho	973	973	1,140	1,061	1,119	1,092	1,152	1,192	1,208	1,133
% Ch	-22.3%	0.0%	17.2%	-6.9%	5.4%	-2.4%	5.5%	3.5%	1.4%	-6.2%

National Variables Forecast by DRI*WEFA
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IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2002

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	28,838	29,077	28,947	28,989	29,252	29,008	27,255	27,173	27,869	28,549
% Ch	-0.3%	0.8%	-0.4%	0.1%	0.9%	-0.8%	-6.0%	-0.3%	2.6%	2.4%
National (Thousands)	7,706	7,663	7,600	7,443	7,334	7,059	6,831	6,843	6,904	6,971
% Ch	-1.7%	-0.6%	-0.8%	-2.1%	-1.5%	-3.7%	-3.2%	0.2%	0.9%	1.0%
FOOD PROCESSING										
Idaho	17,465	17,659	17,288	17,292	17,252	17,341	16,565	16,392	16,647	16,856
% Ch	-0.2%	1.1%	-2.1%	0.0%	-0.2%	0.5%	-4.5%	-1.0%	1.6%	1.3%
National (Thousands)	1,692	1,684	1,684	1,683	1,688	1,690	1,688	1,703	1,737	1,767
% Ch	0.0%	-0.4%	0.0%	-0.1%	0.3%	0.2%	-0.2%	0.9%	2.0%	1.7%
CANNED, CURED, & FROZEN										
Idaho	10,680	10,551	9,994	9,957	9,768	9,567	9,226	8,928	9,023	9,115
% Ch	-1.7%	-1.2%	-5.3%	-0.4%	-1.9%	-2.1%	-3.6%	-3.2%	1.1%	1.0%
OTHER FOOD PROCESSING										
Idaho	6,785	7,108	7,294	7,335	7,484	7,775	7,339	7,463	7,624	7,741
% Ch	2.2%	4.8%	2.6%	0.6%	2.0%	3.9%	-5.6%	1.7%	2.2%	1.5%
PAPER, PRINTING, PUBLISH.										
Idaho	7,191	7,216	7,441	7,393	7,637	7,347	6,909	6,982	7,349	7,736
% Ch	1.0%	0.3%	3.1%	-0.6%	3.3%	-3.8%	-6.0%	1.1%	5.3%	5.3%
National (Thousands)	2,224	2,235	2,242	2,220	2,204	2,125	2,029	2,042	2,093	2,146
% Ch	-0.6%	0.5%	0.3%	-1.0%	-0.7%	-3.6%	-4.5%	0.6%	2.5%	2.6%
CHEMICALS										
Idaho	2,333	2,285	2,358	2,301	2,332	2,324	1,885	1,825	1,806	1,796
% Ch	-0.5%	-2.1%	3.2%	-2.4%	1.4%	-0.4%	-18.9%	-3.2%	-1.0%	-0.5%
National (Thousands)	1,034	1,036	1,043	1,035	1,034	1,022	1,010	991	969	958
% Ch	-0.4%	0.2%	0.7%	-0.7%	-0.1%	-1.2%	-1.2%	-1.9%	-2.3%	-1.2%
OTHER NONDURABLES										
Idaho	1,848	1,917	1,860	2,003	2,031	1,996	1,897	1,974	2,067	2,161
% Ch	-4.9%	3.7%	-3.0%	7.7%	1.4%	-1.8%	-4.9%	4.0%	4.7%	4.5%
National (Thousands)	2,756	2,708	2,631	2,504	2,408	2,222	2,105	2,107	2,106	2,100
% Ch	-4.0%	-1.8%	-2.8%	-4.8%	-3.8%	-7.7%	-5.3%	0.1%	-0.1%	-0.3%
MINING										
Idaho	3,063	3,098	2,904	2,583	2,425	2,038	1,843	1,948	2,104	1,810
%Ch	12.4%	1.2%	-6.3%	-11.1%	-6.1%	-16.0%	-9.6%	5.7%	8.0%	-14.0%
National (Thousands)	580	597	590	539	543	565	561	581	583	562
%Ch	-0.2%	3.0%	-1.1%	-8.7%	0.7%	4.0%	-0.6%	3.7%	0.2%	-3.6%
METAL MINING										
Idaho	1,848	1,843	1,693	1,427	1,223	824	626	748	858	653
%Ch	16.0%	-0.3%	-8.1%	-15.7%	-14.3%	-32.6%	-24.0%	19.6%	14.7%	-23.9%
OTHER MINING										
Idaho	1,214	1,255	1,211	1,155	1,202	1,214	1,217	1,200	1,246	1,157
% Ch	7.2%	3.4%	-3.6%	-4.6%	4.0%	1.0%	0.3%	-1.4%	3.8%	-7.2%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	14,612	13,721	14,205	16,067	18,716	20,216	22,139	24,631	28,984	29,634
% Ch	-3.0%	-6.1%	3.5%	13.1%	16.5%	8.0%	9.5%	11.3%	17.7%	2.2%
National (Thousands)	4,810	4,958	5,096	5,171	5,125	4,655	4,492	4,665	4,982	5,168
% Ch	3.1%	3.1%	2.8%	1.5%	-0.9%	-9.2%	-3.5%	3.9%	6.8%	3.7%
SERVICE PRODUCING SECTOR										
Idaho	258,663	263,112	272,651	285,708	299,858	311,597	326,110	340,644	357,871	373,972
% Ch	-1.4%	1.7%	3.6%	4.8%	5.0%	3.9%	4.7%	4.5%	5.1%	4.5%
National (Thousands)	74,809	77,280	80,079	82,630	84,495	84,506	85,359	87,341	90,229	92,913
% Ch	3.1%	3.3%	3.6%	3.2%	2.3%	0.0%	1.0%	2.3%	3.3%	3.0%
FINANCE, INSUR, REAL ESTATE										
Idaho	18,883	19,129	19,270	19,289	19,837	20,628	21,459	22,757	24,101	24,967
% Ch	-20.2%	1.3%	0.7%	0.1%	2.8%	4.0%	4.0%	6.0%	5.9%	3.6%
National (Thousands)	6,272	6,533	6,629	6,669	6,709	6,647	6,602	6,757	6,895	6,808
% Ch	5.4%	4.2%	1.5%	0.6%	0.6%	-0.9%	-0.7%	2.3%	2.0%	-1.3%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	18,282	17,920	18,487	19,257	19,788	20,031	20,342	20,879	21,876	22,704
% Ch	-5.2%	-2.0%	3.2%	4.2%	2.8%	1.2%	1.6%	2.6%	4.8%	3.8%
National (Thousands)	5,247	5,362	5,512	5,614	5,776	5,755	5,718	5,811	5,985	6,134
% Ch	0.3%	2.2%	2.8%	1.9%	2.9%	-0.4%	-0.6%	1.6%	3.0%	2.5%
TRADE										
Idaho	83,885	84,896	87,345	93,126	97,087	100,981	105,893	109,374	116,691	121,402
% Ch	-0.3%	1.2%	2.9%	6.6%	4.3%	4.0%	4.9%	3.3%	6.7%	4.0%
National (Thousands)	23,641	24,269	25,055	25,664	25,774	25,363	25,352	25,753	26,664	27,564
% Ch	2.6%	2.7%	3.2%	2.4%	0.4%	-1.6%	0.0%	1.6%	3.5%	3.4%
SERVICES										
Idaho	66,655	67,956	71,913	76,161	81,750	85,622	90,396	97,221	102,832	110,105
% Ch	2.5%	2.0%	5.8%	5.9%	7.3%	4.7%	5.6%	7.6%	5.8%	7.1%
National (Thousands)	22,957	24,109	25,500	26,904	27,930	28,335	29,047	30,193	31,575	33,115
% Ch	4.7%	5.0%	5.8%	5.5%	3.8%	1.5%	2.5%	3.9%	4.6%	4.9%
STATE & LOCAL GOVERNMENT										
Idaho	59,135	61,123	63,159	65,185	68,339	71,423	74,561	76,831	78,874	81,682
% Ch	1.3%	3.4%	3.3%	3.2%	4.8%	4.5%	4.4%	3.0%	2.7%	3.6%
National (Thousands)	13,792	14,065	14,411	14,791	15,220	15,439	15,672	15,913	16,241	16,472
% Ch	2.0%	2.0%	2.5%	2.6%	2.9%	1.4%	1.5%	1.5%	2.1%	1.4%
Idaho Education	32,844	33,423	34,575	35,604	37,268	38,840	40,453	42,014	42,721	44,846
% Ch	1.6%	1.8%	3.4%	3.0%	4.7%	4.2%	4.2%	3.9%	1.7%	5.0%
Idaho Other	26,290	27,701	28,583	29,581	31,071	32,583	34,108	34,817	36,153	36,835
% Ch	0.9%	5.4%	3.2%	3.5%	5.0%	4.9%	4.7%	2.1%	3.8%	1.9%
FEDERAL GOVERNMENT										
Idaho	11,823	12,088	12,477	12,692	13,057	12,911	13,460	13,583	13,496	13,112
% Ch	0.3%	2.2%	3.2%	1.7%	2.9%	-1.1%	4.3%	0.9%	-0.6%	-2.8%
National (Thousands)	2,899	2,943	2,972	2,989	3,086	2,967	2,968	2,914	2,870	2,821
% Ch	0.8%	1.5%	1.0%	0.6%	3.3%	-3.9%	0.0%	-1.8%	-1.5%	-1.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	30,599	32,202	32,230	34,857	36,448	37,267	34,380	33,765	33,556	34,193
% Ch	3.3%	5.2%	0.1%	8.2%	4.6%	2.2%	-7.7%	-1.8%	-0.6%	1.9%
National (Thousands)	5,418	5,691	6,019	6,415	6,655	6,688	6,530	6,492	6,720	6,962
% Ch	4.8%	5.0%	5.8%	6.6%	3.7%	0.5%	-2.4%	-0.6%	3.5%	3.6%
SERVICE PRODUCING SECTOR										
Idaho	386,002	398,827	410,278	425,544	443,180	453,710	456,435	465,724	475,593	486,573
% Ch	3.2%	3.3%	2.9%	3.7%	4.1%	2.4%	0.6%	2.0%	2.1%	2.3%
National (Thousands)	95,098	97,713	100,437	103,396	106,044	106,978	106,974	109,005	112,079	113,882
% Ch	2.4%	2.7%	2.8%	2.9%	2.6%	0.9%	0.0%	1.9%	2.8%	1.6%
FINANCE, INSUR, REAL ESTATE										
Idaho	25,175	25,395	22,934	23,568	23,503	24,087	24,405	24,569	24,875	25,134
% Ch	0.8%	0.9%	-9.7%	2.8%	-0.3%	2.5%	1.3%	0.7%	1.2%	1.0%
National (Thousands)	6,912	7,108	7,388	7,555	7,578	7,713	7,744	7,898	8,186	8,377
% Ch	1.5%	2.8%	3.9%	2.3%	0.3%	1.8%	0.4%	2.0%	3.6%	2.3%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	23,405	24,246	25,496	26,896	27,944	28,137	27,430	27,796	28,262	28,739
% Ch	3.1%	3.6%	5.2%	5.5%	3.9%	0.7%	-2.5%	1.3%	1.7%	1.7%
National (Thousands)	6,254	6,407	6,609	6,834	7,032	7,067	6,781	6,919	7,209	7,376
% Ch	2.0%	2.4%	3.2%	3.4%	2.9%	0.5%	-4.0%	2.0%	4.2%	2.3%
TRADE										
Idaho	125,178	128,994	132,592	136,239	141,079	140,973	140,496	144,474	148,425	152,935
% Ch	3.1%	3.0%	2.8%	2.8%	3.6%	-0.1%	-0.3%	2.8%	2.7%	3.0%
National (Thousands)	28,076	28,617	29,100	29,760	30,279	30,294	29,990	30,291	30,888	30,957
% Ch	1.9%	1.9%	1.7%	2.3%	1.7%	0.0%	-1.0%	1.0%	2.0%	0.2%
SERVICES										
Idaho	115,975	122,618	128,737	135,727	144,985	150,339	152,587	157,587	162,389	167,826
% Ch	5.3%	5.7%	5.0%	5.4%	6.8%	3.7%	1.5%	3.3%	3.0%	3.3%
National (Thousands)	34,455	36,037	37,529	39,051	40,459	40,977	41,220	42,439	44,200	45,375
% Ch	4.0%	4.6%	4.1%	4.1%	3.6%	1.3%	0.6%	3.0%	4.1%	2.7%
STATE & LOCAL GOVERNMENT										
Idaho	83,373	84,534	87,711	90,269	92,237	96,889	98,284	98,068	98,433	98,777
% Ch	2.1%	1.4%	3.8%	2.9%	2.2%	5.0%	1.4%	-0.2%	0.4%	0.3%
National (Thousands)	16,647	16,846	17,125	17,529	17,916	18,309	18,624	18,804	18,912	19,100
% Ch	1.1%	1.2%	1.7%	2.4%	2.2%	2.2%	1.7%	1.0%	0.6%	1.0%
FEDERAL GOVERNMENT										
Idaho	45,840	46,015	47,874	49,380	50,589	51,652	52,237	52,458	52,749	52,983
% Ch	2.2%	0.4%	4.0%	3.1%	2.4%	2.1%	1.1%	0.4%	0.6%	0.4%
Idaho Other	37,533	38,518	39,837	40,889	41,648	45,237	46,047	45,610	45,684	45,794
% Ch	1.9%	2.6%	3.4%	2.6%	1.9%	8.6%	1.8%	-0.9%	0.2%	0.2%
FEDERAL GOVERNMENT										
Idaho	12,897	13,041	12,808	12,845	13,431	13,285	13,233	13,230	13,209	13,162
% Ch	-1.6%	1.1%	-1.8%	0.3%	4.6%	-1.1%	-0.4%	0.0%	-0.2%	-0.4%
National (Thousands)	2,755	2,698	2,685	2,667	2,780	2,618	2,614	2,653	2,684	2,697
% Ch	-2.3%	-2.0%	-0.5%	-0.7%	4.2%	-5.8%	-0.2%	1.5%	1.2%	0.5%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2002

MISCELLANEOUS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	448.0	423.0	456.2	524.2	553.0	590.9	667.9	723.9	766.2	835.6
% Ch	7.1%	-5.6%	7.8%	14.9%	5.5%	6.8%	13.0%	8.4%	5.8%	9.1%
National (Billions)	87.6	83.9	91.6	98.3	111.4	131.6	149.1	162.6	174.5	184.5
% Ch	8.4%	-4.3%	9.2%	7.3%	13.3%	18.1%	13.3%	9.1%	7.3%	5.7%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	75.3	77.6	80.2	83.3	86.5	89.7	91.8	94.1	96.0	98.1
% Ch	2.2%	3.0%	3.4%	3.8%	3.9%	3.6%	2.4%	2.4%	2.1%	2.2%
Consumption Expenditures	72.7	75.5	78.4	81.9	85.6	88.9	91.6	93.8	95.7	97.9
% Ch	2.4%	3.8%	3.9%	4.4%	4.6%	3.8%	3.1%	2.4%	2.0%	2.3%
Durable Goods	89.7	92.2	93.5	95.1	96.0	97.4	98.3	99.1	100.6	101.1
% Ch	1.2%	2.8%	1.4%	1.8%	0.9%	1.4%	0.9%	0.8%	1.5%	0.5%
Nondurable Goods	77.0	79.7	82.3	86.3	91.0	93.8	95.2	96.1	96.8	97.9
% Ch	-0.4%	3.4%	3.4%	4.8%	5.5%	3.1%	1.5%	1.0%	0.7%	1.1%
Services	67.3	70.2	73.6	77.1	80.9	84.8	88.5	91.6	94.2	97.3
% Ch	4.6%	4.3%	4.9%	4.8%	5.0%	4.8%	4.3%	3.5%	2.8%	3.3%
Cons. Price Index (1982-84)	109.7	113.6	118.3	123.9	130.7	136.2	140.3	144.5	148.2	152.4
% Ch	1.9%	3.6%	4.1%	4.8%	5.4%	4.2%	3.0%	3.0%	2.6%	2.8%
SELECTED INTEREST RATES										
Federal Funds	6.8%	6.7%	7.6%	9.2%	8.1%	5.7%	3.5%	3.0%	4.2%	5.8%
Prime	8.3%	8.2%	9.3%	10.9%	10.0%	8.5%	6.3%	6.0%	7.1%	8.8%
Existing Home Mortgage	10.3%	9.3%	9.3%	10.1%	10.0%	9.3%	8.1%	7.2%	7.5%	7.8%
U.S. Govt. 3-Month Bills	6.0%	5.8%	6.6%	8.1%	7.5%	5.4%	3.4%	3.0%	4.2%	5.5%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	90.3	95.0	95.2	94.4	92.0	85.6	90.6	91.3	95.9	97.7
% Ch	8.3%	5.3%	0.2%	-0.8%	-2.6%	-6.9%	5.8%	0.8%	5.1%	1.9%
Office & Computer Equip.	17.2	20.0	24.0	26.7	26.2	26.5	32.1	39.8	50.0	69.7
% Ch	6.7%	15.9%	19.9%	11.2%	-1.9%	1.1%	21.4%	23.8%	25.8%	39.3%
Electrical Machinery	34.4	36.7	40.0	41.6	42.5	43.4	48.5	53.2	63.6	80.2
% Ch	3.7%	6.6%	9.1%	3.9%	2.3%	2.1%	11.6%	9.8%	19.6%	26.0%
Electronic Components	12.6	14.8	16.7	18.6	20.5	23.0	28.5	32.7	43.3	67.4
% Ch	7.3%	17.4%	12.7%	11.5%	10.4%	12.2%	23.7%	14.7%	32.5%	55.4%
Food	86.5	88.8	90.1	91.0	92.1	93.4	94.9	96.8	98.3	100.3
% Ch	2.6%	2.6%	1.4%	1.1%	1.2%	1.4%	1.6%	2.0%	1.6%	2.0%
Paper	82.7	85.1	87.8	89.3	89.9	90.6	93.6	96.8	100.2	100.8
% Ch	5.3%	3.0%	3.1%	1.7%	0.6%	0.8%	3.3%	3.4%	3.5%	0.6%
Agricultural Chemicals	73.0	82.6	87.9	95.0	98.1	95.4	97.7	98.5	98.2	98.0
% Ch	-7.4%	13.1%	6.4%	8.1%	3.3%	-2.8%	2.5%	0.8%	-0.3%	-0.2%
Metals & Minerals Mining	70.1	73.3	80.3	85.1	89.2	86.2	90.5	91.3	95.1	98.0
% Ch	1.0%	4.6%	9.5%	6.0%	4.8%	-3.3%	5.0%	0.8%	4.2%	3.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2002

MISCELLANEOUS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	910.5	907.1	951.3	1,041.9	1,118.6	1,252.3	1,392.9	1,501.3	1,587.9	1,661.9
% Ch	9.0%	-0.4%	4.9%	9.5%	7.4%	12.0%	11.2%	7.8%	5.8%	4.7%
National (Billions)	190.4	196.8	210.3	231.0	247.5	277.4	309.8	334.7	354.2	370.7
% Ch	3.2%	3.3%	6.8%	9.9%	7.1%	12.1%	11.7%	8.1%	5.8%	4.6%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	100.0	101.9	103.2	104.7	106.9	109.4	110.9	113.8	117.0	120.2
% Ch	1.9%	1.9%	1.2%	1.4%	2.1%	2.4%	1.3%	2.6%	2.8%	2.7%
Consumption Expenditures	100.0	101.9	103.0	104.7	107.4	109.6	111.2	114.2	117.3	120.4
% Ch	2.1%	1.9%	1.1%	1.6%	2.5%	2.0%	1.5%	2.6%	2.7%	2.7%
Durable Goods	100.0	97.7	95.4	93.0	91.5	89.7	87.3	86.7	86.7	86.8
% Ch	-1.0%	-2.3%	-2.4%	-2.5%	-1.7%	-1.9%	-2.7%	-0.7%	0.1%	0.1%
Nondurable Goods	100.0	101.3	101.3	103.7	107.6	109.2	110.1	112.3	114.6	117.1
% Ch	2.1%	1.3%	0.0%	2.3%	3.8%	1.5%	0.8%	2.0%	2.1%	2.2%
Services	100.0	103.1	105.5	107.8	110.8	114.3	117.5	121.7	126.1	130.4
% Ch	2.8%	3.1%	2.3%	2.2%	2.8%	3.1%	2.7%	3.6%	3.6%	3.4%
Cons. Price Index (1982-84)	156.9	160.5	163.0	166.6	172.2	177.1	180.1	185.2	190.6	196.2
% Ch	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.7%	2.9%	2.9%	2.9%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%	2.1%	3.4%	4.2%
Prime	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	4.8%	5.1%	6.4%	7.2%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	6.6%	6.4%	6.2%	7.0%
U.S. Govt. 3-Month Bills	5.0%	5.1%	4.8%	4.6%	5.8%	3.4%	1.7%	2.0%	3.3%	4.0%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	100.0	102.4	106.3	110.5	107.6	102.3	101.6	99.7	100.6	101.3
% Ch	2.3%	2.4%	3.8%	3.9%	-2.7%	-4.9%	-0.6%	-1.9%	0.9%	0.8%
Office & Computer Equip.	100.0	140.8	192.2	258.5	343.8	351.7	378.9	452.5	600.5	742.8
% Ch	43.5%	40.8%	36.5%	34.5%	33.0%	2.3%	7.7%	19.4%	32.7%	23.7%
Electrical Machinery	100.0	129.3	162.1	199.4	260.1	245.3	253.7	304.9	377.6	455.8
% Ch	24.6%	29.3%	25.4%	23.0%	30.5%	-5.7%	3.4%	20.2%	23.9%	20.7%
Electronic Components	100.0	151.7	227.5	327.1	502.6	480.3	556.7	716.6	926.5	1,164.5
% Ch	48.4%	51.7%	49.9%	43.8%	53.6%	-4.4%	15.9%	28.7%	29.3%	25.7%
Food	100.0	101.7	105.0	106.3	108.0	107.2	107.8	109.9	113.2	116.0
% Ch	-0.3%	1.7%	3.2%	1.2%	1.6%	-0.7%	0.6%	1.9%	3.0%	2.5%
Paper	100.0	105.1	106.6	107.6	106.7	101.2	100.0	102.9	106.2	108.9
% Ch	-0.8%	5.1%	1.4%	1.0%	-0.8%	-5.1%	-1.2%	2.8%	3.3%	2.5%
Agricultural Chemicals	100.0	104.3	107.4	102.4	95.5	90.7	88.2	89.1	90.6	92.5
% Ch	2.1%	4.3%	3.0%	-4.7%	-6.7%	-5.0%	-2.8%	1.1%	1.6%	2.1%
Metals & Minerals Mining	100.0	104.4	106.0	105.4	106.1	104.1	102.2	103.3	106.9	111.1
% Ch	2.1%	4.4%	1.5%	-0.5%	0.6%	-1.9%	-1.8%	1.1%	3.5%	4.0%

**National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002**

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2002

DEMOGRAPHICS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,290.5	1,296.4	1,302.1	1,307.6	1,313.3	1,318.5	1,323.0	1,327.8	1,331.6	1,334.6	1,337.7	1,340.6
% Ch	1.9%	1.8%	1.8%	1.7%	1.8%	1.6%	1.4%	1.5%	1.2%	0.9%	0.9%	0.9%
National (Millions)	281.7	282.4	283.1	283.7	284.4	285.0	285.7	286.3	287.0	287.6	288.3	288.9
% Ch	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	20.083	20.239	20.374	20.521	20.569	20.658	20.719	20.792	20.828	20.830	20.840	20.839
% Ch	-0.9%	3.1%	2.7%	2.9%	0.9%	1.7%	1.2%	1.4%	0.7%	0.0%	0.2%	0.0%
National (Thousands)	3,872	3,872	3,872	3,873	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890
% Ch	-0.1%	-0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%
DEATHS												
Idaho (Thousands)	9.448	9.509	9.567	9.627	9.753	9.793	9.830	9.868	9.900	9.928	9.956	9.983
% Ch	-6.7%	2.6%	2.5%	2.5%	5.3%	1.7%	1.5%	1.6%	1.3%	1.1%	1.1%	1.1%
National (Thousands)	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475
% Ch	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
NET MIGRATION												
Idaho (Thousands)	13.089	12.665	11.975	11.229	12.026	9.936	7.111	8.276	4.451	0.905	1.674	0.616
HOUSING												
HOUSING STARTS												
Idaho	11,456	11,339	11,827	11,523	13,197	12,849	11,561	11,468	11,534	11,950	11,852	11,562
% Ch	39.8%	-4.0%	18.4%	-9.9%	72.0%	-10.1%	-34.5%	-3.2%	2.3%	15.2%	-3.3%	-9.4%
National (Millions)	1.659	1.587	1.504	1.544	1.611	1.624	1.603	1.573	1.725	1.667	1.597	1.558
% Ch	1.1%	-16.3%	-19.3%	11.2%	18.6%	3.3%	-5.2%	-7.3%	44.9%	-12.9%	-15.7%	-9.4%
SINGLE UNITS												
Idaho	10,407	9,932	10,662	10,575	10,752	10,866	10,176	9,989	9,978	10,504	10,485	10,301
% Ch	66.8%	-17.1%	32.8%	-3.2%	6.9%	4.3%	-23.1%	-7.1%	-0.5%	22.8%	-0.7%	-6.8%
National (Millions)	1.279	1.236	1.189	1.224	1.263	1.292	1.277	1.258	1.371	1.328	1.260	1.269
% Ch	-15.9%	-12.8%	-14.2%	12.3%	13.4%	9.4%	-4.6%	-5.9%	41.4%	-12.0%	-19.1%	3.1%
MULTIPLE UNITS												
Idaho	1,049	1,407	1,165	947	2,444	1,983	1,386	1,479	1,556	1,446	1,367	1,261
% Ch	-66.4%	223.6%	-52.9%	-56.3%	4329.9%	-56.7%	-76.2%	29.8%	22.5%	-25.4%	-20.2%	-27.4%
National (Millions)	0.380	0.351	0.314	0.320	0.348	0.332	0.326	0.315	0.354	0.338	0.337	0.289
% Ch	101.2%	-27.5%	-35.7%	7.0%	40.5%	-16.8%	-7.8%	-12.5%	59.5%	-16.6%	-1.4%	-46.4%
HOUSING STOCK												
Idaho (Thousands)	417.3	419.8	422.5	425.0	428.0	430.9	433.5	436.0	438.6	441.2	443.9	446.4
% Ch	2.5%	2.4%	2.5%	2.4%	2.8%	2.7%	2.4%	2.4%	2.4%	2.4%	2.4%	2.3%

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OCTOBER 2002

DEMOGRAPHICS

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION	1,344.3	1,348.4	1,352.5	1,356.4	1,360.2	1,363.9	1,367.6	1,371.3	1,374.9	1,378.7	1,382.7	1,386.6
Idaho (Thousands)	1.1%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
% Ch	289.6	290.2	290.8	291.5	292.1	292.7	293.4	294.0	294.6	295.2	295.9	296.5
National (Millions)	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
% Ch												
BIRTHS	20.878	20.935	21.008	21.071	21.129	21.186	21.241	21.295	21.349	21.411	21.474	21.541
Idaho (Thousands)	0.8%	1.1%	1.4%	1.2%	1.1%	1.1%	1.0%	1.0%	1.0%	1.2%	1.2%	1.2%
% Ch	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935	3,943	3,951	3,959	3,968
National (Thousands)	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%
% Ch												
DEATHS	10.014	10.048	10.083	10.115	10.147	10.179	10.211	10.242	10.274	10.306	10.339	10.372
Idaho (Thousands)	1.3%	1.4%	1.4%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%
% Ch	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515	2,520	2,525	2,531	2,536
National (Thousands)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%
% Ch												
NET MIGRATION	3.780	5.551	5.686	4.644	4.051	3.927	3.608	3.644	3.504	4.297	4.482	4.720
Idaho (Thousands)												
HOUSING												
HOUSING STARTS	11,276	11,049	10,924	10,905	11,174	11,247	11,272	11,300	11,204	11,027	10,855	10,757
Idaho	-9.6%	-7.8%	-4.5%	-0.7%	10.2%	2.7%	0.9%	1.0%	-3.4%	-6.2%	-6.1%	-3.5%
% Ch	1,527	1,552	1,584	1,627	1,680	1,719	1,720	1,726	1,723	1,714	1,696	1,682
National (Millions)	-7.7%	6.7%	8.6%	11.1%	13.9%	9.5%	0.4%	1.3%	-0.6%	-2.1%	-4.2%	-3.1%
% Ch												
SINGLE UNITS	10,100	9,943	9,876	9,868	10,086	10,113	10,119	10,138	10,082	9,967	9,874	9,868
Idaho	-7.6%	-6.1%	-2.7%	-0.3%	9.1%	1.1%	0.2%	0.8%	-2.2%	-4.5%	-3.7%	-0.2%
% Ch	1,261	1,270	1,292	1,320	1,349	1,366	1,364	1,363	1,357	1,344	1,321	1,307
National (Millions)	-2.7%	3.2%	6.8%	9.2%	9.0%	5.2%	-0.7%	-0.3%	-1.6%	-4.0%	-6.5%	-4.2%
% Ch												
MULTIPLE UNITS	1,175	1,106	1,048	1,037	1,088	1,134	1,153	1,162	1,122	1,060	981	889
Idaho	-24.6%	-21.6%	-19.5%	-4.2%	21.3%	17.9%	7.0%	3.0%	-13.1%	-20.3%	-26.6%	-32.6%
% Ch	0.266	0.281	0.292	0.306	0.331	0.353	0.357	0.363	0.366	0.371	0.375	0.375
National (Millions)	-27.6%	24.5%	17.0%	20.2%	36.9%	28.5%	4.7%	7.5%	3.2%	4.9%	4.4%	0.8%
% Ch												
HOUSING STOCK												
Idaho (Thousands)	448.9	451.3	453.7	456.1	458.6	461.0	463.5	466.0	468.4	470.8	473.2	475.5
% Ch	2.2%	2.2%	2.1%	2.1%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%

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IDAHO ECONOMIC FORECAST

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OUTPUT, INCOME, & WAGES

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	9,650	9,821	9,875	9,954	10,028	10,050	10,098	10,153	10,313	10,377	10,496	10,650
% Ch	5.7%	7.3%	2.2%	3.2%	3.0%	0.9%	1.9%	2.2%	6.5%	2.5%	4.7%	6.0%
1996 Chain-Weighted	9,097	9,206	9,219	9,244	9,230	9,193	9,186	9,249	9,363	9,392	9,455	9,515
% Ch	2.6%	4.8%	0.6%	1.1%	-0.6%	-1.6%	-0.3%	2.7%	5.0%	1.3%	2.7%	2.6%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	30,631	31,195	31,504	31,925	32,235	32,484	32,697	32,684	33,502	33,566	34,171	34,795
% Ch	11.8%	7.6%	4.0%	5.5%	3.9%	3.1%	2.6%	-0.2%	10.4%	0.8%	7.4%	7.5%
Idaho Nonfarm (Millions)	29,871	30,397	30,668	31,140	31,239	31,532	31,761	31,716	32,227	32,745	33,152	33,482
% Ch	15.6%	7.2%	3.6%	6.3%	1.3%	3.8%	2.9%	-0.6%	6.6%	6.6%	5.1%	4.0%
National (Billions)	8,212	8,350	8,488	8,577	8,658	8,676	8,706	8,701	8,803	8,914	9,010	9,111
% Ch	13.2%	6.9%	6.8%	4.2%	3.9%	0.8%	1.4%	-0.2%	4.8%	5.1%	4.4%	4.6%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	28,757	29,123	29,261	29,489	29,533	29,628	29,828	29,756	30,418	30,270	30,655	30,953
% Ch	8.1%	5.2%	1.9%	3.2%	0.6%	1.3%	2.7%	-1.0%	9.2%	-1.9%	5.2%	4.0%
Idaho Nonfarm (Millions)	28,044	28,378	28,485	28,764	28,620	28,760	28,974	28,875	29,260	29,530	29,741	29,786
% Ch	11.7%	4.9%	1.5%	4.0%	-2.0%	2.0%	3.0%	-1.4%	5.4%	3.7%	2.9%	0.6%
National (Billions)	7,710	7,796	7,884	7,922	7,932	7,913	7,942	7,921	7,993	8,038	8,083	8,105
% Ch	9.5%	4.6%	4.6%	2.0%	0.5%	-1.0%	1.5%	-1.0%	3.7%	2.3%	2.2%	1.1%
PER CAPITA PERS INC - CURR \$												
Idaho	23,736	24,063	24,196	24,415	24,545	24,637	24,714	24,615	25,158	25,151	25,544	25,955
% Ch	9.7%	5.6%	2.2%	3.7%	2.1%	1.5%	1.3%	-1.6%	9.1%	-0.1%	6.4%	6.6%
National	29,153	29,571	29,986	30,228	30,444	30,438	30,473	30,386	30,675	30,990	31,255	31,536
% Ch	12.1%	5.9%	5.7%	3.3%	2.9%	-0.1%	0.5%	-1.1%	3.9%	4.2%	3.5%	3.6%
PER CAPITA PERS INC - 1996 \$												
Idaho	22,284	22,465	22,473	22,553	22,487	22,471	22,545	22,410	22,842	22,681	22,916	23,089
% Ch	6.1%	3.3%	0.1%	1.4%	-1.1%	-0.3%	1.3%	-2.4%	7.9%	-2.8%	4.2%	3.1%
National	27,371	27,609	27,852	27,921	27,892	27,761	27,799	27,664	27,851	27,946	28,039	28,054
% Ch	8.4%	3.5%	3.6%	1.0%	-0.4%	-1.9%	0.5%	-1.9%	2.7%	1.4%	1.3%	0.2%
AVERAGE ANNUAL WAGE												
Idaho	28,690	28,594	28,442	28,947	28,409	28,714	28,874	28,730	29,132	29,680	29,957	30,174
% Ch	17.1%	-1.3%	-2.1%	7.3%	-7.2%	4.4%	2.3%	-2.0%	5.7%	7.7%	3.8%	2.9%
National	36,318	36,344	36,999	37,204	37,456	37,497	37,544	37,607	37,915	38,231	38,523	38,950
% Ch	13.6%	0.3%	7.4%	2.2%	2.7%	0.4%	0.5%	0.7%	3.3%	3.4%	3.1%	4.5%

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OUTPUT, INCOME, & WAGES

	Q1	2003				Q1	2004				Q1	2005		
		Q2	Q3	Q4			Q2	Q3	Q4			Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)														
Current Dollars	10,811	10,946	11,120	11,322	11,540	11,721	11,904	12,095	12,294	12,459	12,613	12,771		
% Ch	6.2%	5.1%	6.5%	7.5%	7.9%	6.4%	6.4%	6.6%	6.7%	5.5%	5.1%	5.1%		
1996 Chain-Weighted	9,588	9,650	9,744	9,857	9,972	10,057	10,139	10,230	10,323	10,397	10,463	10,535		
% Ch	3.1%	2.6%	3.9%	4.8%	4.7%	3.5%	3.3%	3.7%	3.7%	2.9%	2.6%	2.8%		
PERSONAL INCOME - CURR \$														
Idaho (Millions)	35,136	35,499	35,992	36,358	36,799	37,309	37,843	38,284	38,805	39,398	39,932	40,362		
% Ch	4.0%	4.2%	5.7%	4.1%	4.9%	5.7%	5.8%	4.7%	5.6%	6.3%	5.5%	4.4%		
Idaho Nonfarm (Millions)	33,970	34,328	34,745	35,183	35,653	36,084	36,526	37,031	37,595	38,139	38,676	39,202		
% Ch	6.0%	4.3%	4.9%	5.1%	5.4%	4.9%	5.0%	5.6%	6.2%	5.9%	5.8%	5.6%		
National (Billions)	9,251	9,341	9,457	9,592	9,759	9,910	10,059	10,215	10,382	10,528	10,666	10,798		
% Ch	6.3%	4.0%	5.1%	5.8%	7.2%	6.3%	6.1%	6.3%	6.7%	5.7%	5.3%	5.0%		
PERSONAL INCOME - 1996 \$														
Idaho (Millions)	31,075	31,205	31,432	31,541	31,707	31,927	32,153	32,294	32,518	32,808	33,053	33,221		
% Ch	1.6%	1.7%	2.9%	1.4%	2.1%	2.8%	2.9%	1.8%	2.8%	3.6%	3.0%	2.0%		
Idaho Nonfarm (Millions)	30,044	30,175	30,342	30,522	30,720	30,878	31,035	31,236	31,504	31,760	32,014	32,266		
% Ch	3.5%	1.8%	2.2%	2.4%	2.6%	2.1%	2.0%	2.6%	3.5%	3.3%	3.2%	3.2%		
National (Billions)	8,182	8,211	8,259	8,321	8,409	8,480	8,547	8,616	8,700	8,767	8,828	8,887		
% Ch	3.8%	1.5%	2.3%	3.0%	4.3%	3.4%	3.2%	3.3%	3.9%	3.1%	2.8%	2.7%		
PER CAPITA PERS INC - CURR \$														
Idaho	26,137	26,328	26,611	26,804	27,054	27,355	27,671	27,919	28,224	28,575	28,881	29,108		
% Ch	2.8%	2.9%	4.4%	2.9%	3.8%	4.5%	4.7%	3.6%	4.4%	5.1%	4.3%	3.2%		
National	31,948	32,190	32,519	32,909	33,412	33,855	34,290	34,746	35,239	35,659	36,049	36,418		
% Ch	5.3%	3.1%	4.2%	4.9%	6.3%	5.4%	5.2%	5.4%	5.8%	4.8%	4.4%	4.2%		
PER CAPITA PERS INC - 1996 \$														
Idaho	23,117	23,143	23,239	23,253	23,311	23,408	23,511	23,550	23,651	23,796	23,906	23,958		
% Ch	0.5%	0.5%	1.7%	0.2%	1.0%	1.7%	1.8%	0.7%	1.7%	2.5%	1.9%	0.9%		
National	28,256	28,296	28,399	28,550	28,789	28,970	29,135	29,309	29,530	29,694	29,839	29,975		
% Ch	2.9%	0.6%	1.5%	2.1%	3.4%	2.5%	2.3%	2.4%	3.0%	2.2%	2.0%	1.8%		
AVERAGE ANNUAL WAGE														
Idaho	30,416	30,685	30,903	31,175	31,465	31,753	32,047	32,356	32,674	32,972	33,236	33,487		
% Ch	3.2%	3.6%	2.9%	3.6%	3.8%	3.7%	3.8%	3.9%	4.0%	3.7%	3.2%	3.1%		
National	39,345	39,686	40,001	40,413	40,986	41,519	42,013	42,500	43,055	43,529	43,948	44,388		
% Ch	4.1%	3.5%	3.2%	4.2%	5.8%	5.3%	4.8%	4.7%	5.3%	4.5%	3.9%	4.1%		

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PERSONAL INCOME -- CURR \$\$

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	16,352	16,493	16,535	16,894	16,727	16,910	16,978	16,827	17,027	17,238	17,456	17,638
% Ch	21.3%	3.5%	1.0%	9.0%	-3.9%	4.4%	1.6%	-3.5%	4.8%	5.0%	5.2%	4.2%
National (Billions)	4,757	4,791	4,879	4,918	4,960	4,957	4,954	4,931	4,958	4,997	5,041	5,101
% Ch	16.7%	2.8%	7.6%	3.2%	3.5%	-0.3%	-0.3%	-1.8%	2.2%	3.2%	3.5%	4.8%
FARM PROPRIETORS INCOME												
Idaho (Millions)	411	436	467	414	626	577	558	588	888	425	630	917
% Ch	-83.6%	26.6%	31.6%	-38.2%	422.8%	-27.8%	-12.5%	23.3%	420.2%	-94.8%	381.5%	349.3%
National (Billions)	22	25	22	21	19	18	19	19	22	7	11	18
% Ch	-39.8%	57.6%	-43.6%	-8.2%	-32.4%	-16.8%	21.0%	-0.8%	62.2%	-98.6%	307.8%	703.8%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,205	3,288	3,276	3,255	3,287	3,321	3,347	3,382	3,409	3,471	3,547	3,601
% Ch	2.7%	10.8%	-1.5%	-2.5%	4.0%	4.2%	3.2%	4.2%	3.2%	7.5%	9.1%	6.2%
National (Billions)	680	694	697	698	702	708	713	712	727	740	756	768
% Ch	4.9%	8.3%	1.8%	0.7%	2.2%	3.6%	2.8%	-0.6%	8.4%	7.6%	9.1%	6.2%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,725	5,924	6,102	6,157	6,203	6,186	6,204	6,196	6,222	6,324	6,331	6,361
% Ch	7.1%	14.6%	12.6%	3.7%	3.0%	-1.1%	1.2%	-0.5%	1.7%	6.7%	0.4%	1.9%
National (Billions)	1,531	1,590	1,625	1,651	1,648	1,638	1,638	1,630	1,635	1,666	1,672	1,675
% Ch	14.2%	16.5%	9.0%	6.5%	-0.7%	-2.5%	0.2%	-2.1%	1.3%	7.8%	1.5%	0.6%
OTHER LABOR INCOME												
Idaho (Millions)	1,902	1,935	1,947	1,979	1,975	1,984	2,020	2,008	2,089	2,148	2,182	2,203
% Ch	12.7%	7.1%	2.5%	6.7%	-0.8%	1.8%	7.5%	-2.4%	17.1%	11.8%	6.6%	3.9%
National (Billions)	531	540	549	557	565	568	572	576	591	604	616	624
% Ch	9.8%	7.4%	6.6%	6.4%	5.4%	2.5%	3.0%	2.8%	10.4%	9.3%	7.9%	5.7%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,816	3,917	3,970	4,050	4,231	4,330	4,438	4,533	4,745	4,858	4,931	4,986
% Ch	9.1%	11.0%	5.5%	8.3%	19.1%	9.7%	10.4%	8.8%	20.1%	9.9%	6.1%	4.5%
National (Billions)	1,045	1,066	1,077	1,094	1,135	1,159	1,183	1,205	1,252	1,283	1,301	1,315
% Ch	6.0%	8.2%	4.2%	6.7%	15.8%	8.8%	8.3%	7.8%	16.5%	10.1%	5.9%	4.5%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,266	1,270	1,269	1,295	1,301	1,322	1,332	1,325	1,362	1,379	1,393	1,403
% Ch	17.5%	1.3%	-0.3%	8.5%	1.9%	6.6%	3.1%	-2.1%	11.6%	5.1%	4.0%	3.1%
National (Billions)	355	355	361	363	371	372	373	373	380	384	387	390
% Ch	13.4%	0.9%	6.1%	2.8%	9.2%	1.1%	1.0%	-0.4%	8.6%	3.3%	3.3%	3.2%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	486	472	476	471	487	496	482	476	483	482	487	492
% Ch	148.7%	-11.0%	3.4%	-4.1%	14.3%	7.6%	-10.8%	-4.9%	6.0%	-0.8%	4.4%	4.4%

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IDAHO ECONOMIC FORECAST

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PERSONAL INCOME -- CURR \$\$

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	17,850	18,095	18,339	18,601	18,868	19,137	19,413	19,690	19,997	20,313	20,612	20,892
% Ch	4.9%	5.6%	5.5%	5.8%	5.9%	5.8%	5.9%	5.8%	6.4%	6.5%	6.0%	5.5%
National (Billions)	5,174	5,240	5,316	5,415	5,529	5,633	5,732	5,830	5,930	6,013	6,091	6,168
% Ch	5.9%	5.2%	5.9%	7.7%	8.7%	7.7%	7.2%	7.1%	7.0%	5.8%	5.3%	5.1%
FARM PROPRIETORS INCOME												
Idaho (Millions)	766	770	838	766	737	804	882	820	774	815	809	720
% Ch	-51.3%	2.2%	40.1%	-30.1%	-14.4%	42.0%	44.9%	-25.2%	-20.6%	22.9%	-3.3%	-37.1%
National (Billions)	23	27	33	32	33	36	39	36	36	38	38	34
% Ch	186.1%	70.3%	125.4%	-10.9%	16.4%	40.4%	43.3%	-24.7%	-3.3%	22.0%	-3.2%	-36.1%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,658	3,706	3,768	3,831	3,899	3,948	3,996	4,055	4,114	4,159	4,200	4,235
% Ch	6.5%	5.4%	6.8%	7.0%	7.3%	5.2%	4.9%	6.0%	6.0%	4.4%	4.0%	3.4%
National (Billions)	780	791	804	818	832	843	853	866	879	888	897	904
% Ch	6.6%	5.4%	6.9%	7.1%	7.4%	5.2%	4.9%	6.1%	6.1%	4.4%	4.0%	3.3%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,490	6,492	6,556	6,631	6,697	6,779	6,845	6,938	7,036	7,143	7,255	7,384
% Ch	8.4%	0.1%	4.0%	4.7%	4.1%	5.0%	3.9%	5.5%	5.8%	6.2%	6.5%	7.3%
National (Billions)	1,700	1,699	1,710	1,727	1,746	1,769	1,788	1,816	1,846	1,876	1,907	1,942
% Ch	6.1%	-0.1%	2.7%	3.9%	4.4%	5.4%	4.5%	6.4%	6.6%	6.8%	6.8%	7.5%
OTHER LABOR INCOME												
Idaho (Millions)	2,244	2,285	2,319	2,351	2,370	2,379	2,412	2,446	2,478	2,514	2,549	2,578
% Ch	7.5%	7.6%	6.1%	5.5%	3.4%	1.5%	5.7%	5.9%	5.3%	5.9%	5.8%	4.6%
National (Billions)	634	642	649	657	667	672	683	695	704	713	721	729
% Ch	6.3%	5.0%	4.5%	5.3%	6.0%	3.2%	6.7%	6.9%	5.7%	5.0%	4.9%	4.1%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	5,058	5,094	5,129	5,150	5,214	5,262	5,309	5,365	5,451	5,518	5,585	5,646
% Ch	5.9%	2.9%	2.7%	1.7%	5.1%	3.8%	3.6%	4.2%	6.6%	5.0%	5.0%	4.5%
National (Billions)	1,336	1,345	1,353	1,359	1,376	1,389	1,402	1,417	1,440	1,458	1,476	1,492
% Ch	6.3%	2.7%	2.6%	1.6%	5.2%	3.8%	3.7%	4.4%	6.8%	5.0%	5.0%	4.4%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,428	1,448	1,468	1,492	1,514	1,536	1,559	1,581	1,607	1,632	1,657	1,680
% Ch	7.1%	5.8%	5.7%	6.5%	6.0%	6.0%	6.1%	6.0%	6.5%	6.6%	6.1%	5.6%
National (Billions)	397	402	407	415	423	431	438	446	453	459	465	470
% Ch	7.6%	4.9%	5.6%	7.9%	8.4%	7.4%	6.9%	6.8%	6.7%	5.5%	5.0%	4.8%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	499	506	513	520	528	536	544	552	560	570	578	586
% Ch	5.0%	5.8%	5.7%	6.0%	6.1%	6.0%	6.1%	6.0%	6.6%	6.7%	6.2%	5.7%

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EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	551,728	558,196	562,226	564,822	569,145	569,413	568,600	566,022	563,977	560,285	562,672	564,367
% Ch	3.8%	4.8%	2.9%	1.9%	3.1%	0.2%	-0.6%	-1.8%	-1.4%	-2.6%	1.7%	1.2%
National (Thousands)	130,995	131,819	131,876	132,185	132,433	132,193	131,943	131,130	130,759	130,706	130,847	130,955
% Ch	2.7%	2.5%	0.2%	0.9%	0.8%	-0.7%	-0.8%	-2.4%	-1.1%	-0.2%	0.4%	0.3%
GOODS PRODUCING SECTOR												
Idaho	115,631	115,977	115,886	116,760	117,739	115,949	114,240	110,412	107,718	106,436	106,112	105,296
% Ch	2.6%	1.2%	-0.3%	3.1%	3.4%	-5.9%	-5.8%	-12.7%	-9.4%	-4.7%	-1.2%	-3.0%
National (Thousands)	25,701	25,690	25,681	25,626	25,493	25,136	24,786	24,375	24,049	23,879	23,783	23,663
% Ch	2.0%	-0.2%	-0.1%	-0.8%	-2.1%	-5.5%	-5.5%	-6.5%	-5.2%	-2.8%	-1.6%	-2.0%
MANUFACTURING												
Idaho	76,702	77,138	77,081	77,841	77,749	76,061	74,788	72,524	70,511	70,456	70,194	69,508
% Ch	1.6%	2.3%	-0.3%	4.0%	-0.5%	-8.4%	-6.5%	-11.6%	-10.6%	-0.3%	-1.5%	-3.9%
National (Thousands)	18,502	18,510	18,494	18,400	18,196	17,872	17,538	17,174	16,883	16,776	16,688	16,663
% Ch	0.0%	0.2%	-0.3%	-2.0%	-4.4%	-6.9%	-7.3%	-8.0%	-6.6%	-2.5%	-2.1%	-0.6%
DURABLE MANUFACTURING												
Idaho	47,661	47,921	47,831	48,341	48,363	46,812	45,819	44,097	43,184	43,031	42,911	42,524
% Ch	1.1%	2.2%	-0.8%	4.3%	0.2%	-12.2%	-8.2%	-14.2%	-8.0%	-1.4%	-1.1%	-3.6%
National (Thousands)	11,121	11,146	11,174	11,131	10,998	10,773	10,522	10,249	10,023	9,961	9,877	9,824
% Ch	0.8%	0.9%	1.0%	-1.5%	-4.7%	-7.9%	-9.0%	-10.0%	-8.5%	-2.5%	-3.3%	-2.1%
LUMBER & WOOD PRODUCTS												
Idaho	13,153	13,060	12,320	11,976	11,848	11,452	11,438	11,217	11,242	11,442	11,456	11,303
% Ch	-5.4%	-2.8%	-20.8%	-10.7%	-4.2%	-12.7%	-0.5%	-7.5%	0.9%	7.3%	0.5%	-5.2%
National (Thousands)	842	837	829	814	797	789	784	773	770	768	766	760
% Ch	0.6%	-2.4%	-3.9%	-6.9%	-7.9%	-4.0%	-2.5%	-5.7%	-1.4%	-1.2%	-1.2%	-2.7%
STONE, CLAY, GLASS, etc.												
Idaho	4,529	4,460	4,479	4,467	4,531	4,524	4,498	4,313	4,037	3,888	3,821	3,793
% Ch	-0.7%	-5.9%	1.7%	-1.1%	5.9%	-0.7%	-2.3%	-15.4%	-23.3%	-13.9%	-6.8%	-2.8%
National (Thousands)	2,109	2,121	2,125	2,120	2,102	2,068	2,039	2,004	1,977	1,977	1,974	1,969
% Ch	2.2%	2.2%	0.9%	-1.1%	-3.4%	-6.3%	-5.4%	-6.6%	-5.4%	0.0%	-0.5%	-1.0%
ELEC & NONELEC MACH												
Idaho	23,765	24,115	24,942	25,860	26,054	25,000	24,019	22,804	22,277	22,247	22,221	22,158
% Ch	4.5%	6.0%	14.4%	15.6%	3.0%	-15.2%	-14.8%	-18.8%	-8.9%	-0.5%	-0.5%	-1.1%
National (Thousands)	3,802	3,824	3,884	3,881	3,848	3,720	3,566	3,431	3,317	3,271	3,222	3,217
% Ch	0.7%	2.3%	6.4%	-0.3%	-3.3%	-12.7%	-15.5%	-14.3%	-12.6%	-5.4%	-5.9%	-0.6%
OTHER DURABLES												
Idaho	6,214	6,286	6,089	6,038	5,929	5,836	5,864	5,763	5,628	5,454	5,412	5,269
% Ch	4.3%	4.7%	-12.0%	-3.3%	-7.0%	-6.1%	1.9%	-6.7%	-9.1%	-11.8%	-3.0%	-10.2%
National (Thousands)	4,368	4,364	4,336	4,317	4,251	4,196	4,133	4,041	3,959	3,945	3,915	3,878
% Ch	0.2%	-0.3%	-2.6%	-1.7%	-6.0%	-5.0%	-5.9%	-8.6%	-7.8%	-1.4%	-3.0%	-3.8%

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EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	566,424	569,287	572,854	576,213	579,121	581,905	584,717	587,658	591,084	594,993	599,137	603,183
% Ch	1.5%	2.0%	2.5%	2.4%	2.0%	1.9%	1.9%	2.0%	2.4%	2.7%	2.8%	2.7%
National (Thousands)	131,514	132,041	132,889	133,981	134,901	135,662	136,425	137,179	137,720	138,148	138,599	138,950
% Ch	1.7%	1.6%	2.6%	3.3%	2.8%	2.3%	2.3%	2.2%	1.6%	1.2%	1.3%	1.0%
GOODS PRODUCING SECTOR												
Idaho	104,752	105,033	105,674	106,423	106,952	107,482	108,010	108,584	109,229	109,997	110,931	111,950
% Ch	-2.1%	1.1%	2.5%	2.9%	2.0%	2.0%	2.0%	2.1%	2.4%	2.8%	3.4%	3.7%
National (Thousands)	23,672	23,542	23,545	23,646	23,759	23,871	24,030	24,193	24,344	24,447	24,527	24,570
% Ch	0.1%	-2.2%	0.1%	1.7%	1.9%	1.9%	2.7%	2.7%	2.5%	1.7%	1.3%	0.7%
MANUFACTURING												
Idaho	69,199	69,433	69,910	70,488	71,119	71,793	72,430	73,048	73,605	74,186	74,829	75,477
% Ch	-1.8%	1.4%	2.8%	3.3%	3.6%	3.8%	3.6%	3.5%	3.1%	3.2%	3.5%	3.5%
National (Thousands)	16,655	16,521	16,458	16,478	16,527	16,601	16,704	16,808	16,866	16,931	16,988	17,009
% Ch	-0.2%	-3.2%	-1.5%	0.5%	1.2%	1.8%	2.5%	2.5%	1.4%	1.5%	1.4%	0.5%
DURABLE MANUFACTURING												
Idaho	42,205	42,366	42,679	43,089	43,533	44,016	44,468	44,897	45,285	45,704	46,201	46,712
% Ch	-3.0%	1.5%	3.0%	3.9%	4.2%	4.5%	4.2%	3.9%	3.5%	3.8%	4.4%	4.5%
National (Thousands)	9,791	9,680	9,626	9,642	9,672	9,716	9,780	9,856	9,905	9,960	10,010	10,036
% Ch	-1.4%	-4.4%	-2.2%	0.7%	1.3%	1.8%	2.7%	3.2%	2.0%	2.2%	2.0%	1.1%
LUMBER & WOOD PRODUCTS												
Idaho	11,092	10,907	10,751	10,621	10,526	10,441	10,348	10,226	10,093	9,944	9,805	9,684
% Ch	-7.3%	-6.5%	-5.6%	-4.7%	-3.5%	-3.2%	-3.5%	-4.6%	-5.1%	-5.8%	-5.4%	-4.8%
National (Thousands)	761	753	747	746	750	758	767	775	778	781	784	788
% Ch	0.4%	-4.0%	-3.5%	-0.3%	2.3%	4.3%	4.9%	3.9%	1.8%	1.5%	1.7%	1.9%
STONE, CLAY, GLASS, etc.												
Idaho	3,749	3,702	3,688	3,696	3,709	3,710	3,709	3,709	3,701	3,698	3,697	3,700
% Ch	-4.6%	-4.9%	-1.6%	0.9%	1.4%	0.1%	-0.1%	-0.1%	-0.8%	-0.4%	0.0%	0.3%
National (Thousands)	1,978	1,969	1,972	1,983	1,995	2,007	2,020	2,033	2,036	2,037	2,038	2,036
% Ch	1.8%	-1.8%	0.5%	2.3%	2.3%	2.6%	2.6%	2.5%	0.6%	0.2%	0.3%	-0.5%
ELEC & NONELEC MACH												
Idaho	22,166	22,567	23,022	23,491	23,943	24,418	24,888	25,384	25,911	26,463	27,076	27,688
% Ch	0.1%	7.4%	8.3%	8.4%	7.9%	8.2%	7.9%	8.2%	8.6%	8.8%	9.6%	9.4%
National (Thousands)	3,163	3,083	3,036	3,022	3,019	3,010	3,020	3,048	3,078	3,116	3,152	3,179
% Ch	-6.6%	-9.7%	-5.9%	-1.8%	-0.5%	-1.2%	1.3%	3.8%	4.0%	5.0%	4.7%	3.5%
OTHER DURABLES												
Idaho	5,198	5,189	5,219	5,281	5,354	5,447	5,523	5,578	5,580	5,599	5,622	5,639
% Ch	-5.3%	-0.6%	2.3%	4.9%	5.6%	7.1%	5.7%	4.1%	0.2%	1.4%	1.7%	1.2%
National (Thousands)	3,889	3,875	3,872	3,891	3,909	3,940	3,973	4,001	4,013	4,026	4,035	4,033
% Ch	1.1%	-1.4%	-0.3%	2.0%	1.9%	3.3%	3.3%	2.8%	1.2%	1.3%	0.9%	-0.2%

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EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,041	29,217	29,250	29,500	29,386	29,249	28,969	28,427	27,328	27,424	27,284	26,984
% Ch	2.3%	2.4%	0.5%	3.5%	-1.5%	-1.9%	-3.8%	-7.3%	-14.6%	1.4%	-2.0%	-4.3%
National (Thousands)	7,381	7,364	7,321	7,269	7,198	7,099	7,015	6,925	6,860	6,815	6,811	6,839
% Ch	-1.2%	-0.9%	-2.3%	-2.8%	-3.8%	-5.4%	-4.6%	-5.0%	-3.7%	-2.6%	-0.2%	1.6%
FOOD PROCESSING												
Idaho	17,173	17,264	17,288	17,284	17,386	17,432	17,422	17,125	16,504	16,711	16,663	16,380
% Ch	0.3%	2.1%	0.6%	-0.1%	2.4%	1.1%	-0.2%	-6.6%	-13.7%	5.1%	-1.2%	-6.6%
National (Thousands)	1,690	1,690	1,685	1,686	1,694	1,691	1,688	1,688	1,686	1,689	1,688	1,687
% Ch	-0.3%	0.0%	-1.3%	0.2%	2.0%	-0.6%	-0.8%	0.1%	-0.6%	0.8%	-0.2%	-0.2%
CANNED, CURED, & FROZEN												
Idaho	9,758	9,795	9,823	9,696	9,603	9,597	9,590	9,478	9,350	9,256	9,293	9,003
% Ch	-1.8%	1.5%	1.1%	-5.1%	-3.8%	-0.2%	-0.3%	-4.6%	-5.3%	-4.0%	1.6%	-11.9%
OTHER FOOD PROCESSING												
Idaho	7,415	7,469	7,465	7,588	7,783	7,835	7,832	7,648	7,154	7,455	7,370	7,377
% Ch	3.1%	3.0%	-0.2%	6.8%	10.7%	2.7%	-0.1%	-9.1%	-23.4%	18.0%	-4.5%	0.4%
PAPER, PRINTING, PUBLISH.												
Idaho	7,534	7,656	7,632	7,724	7,562	7,400	7,300	7,126	7,021	6,916	6,860	6,837
% Ch	6.1%	6.6%	-1.3%	4.9%	-8.1%	-8.3%	-5.3%	-9.2%	-5.8%	-5.9%	-3.2%	-1.3%
National (Thousands)	2,208	2,208	2,206	2,194	2,173	2,140	2,109	2,079	2,049	2,021	2,016	2,028
% Ch	-0.8%	0.0%	-0.4%	-2.1%	-3.8%	-5.9%	-5.7%	-5.6%	-5.6%	-5.3%	-1.0%	2.4%
CHEMICALS												
Idaho	2,316	2,300	2,318	2,393	2,365	2,379	2,300	2,250	1,950	1,908	1,845	1,835
% Ch	9.9%	-2.7%	3.2%	13.6%	-4.6%	2.4%	-12.7%	-8.4%	-43.6%	-8.3%	-12.5%	-2.1%
National (Thousands)	1,038	1,036	1,031	1,030	1,028	1,023	1,022	1,015	1,010	1,007	1,009	1,014
% Ch	1.0%	-0.6%	-2.2%	-0.1%	-1.0%	-1.9%	-0.4%	-2.6%	-2.1%	-0.9%	0.5%	2.3%
OTHER NONDURABLES												
Idaho	2,018	1,996	2,012	2,099	2,073	2,037	1,947	1,926	1,853	1,890	1,915	1,931
% Ch	-2.3%	-4.2%	3.2%	18.3%	-4.8%	-6.7%	-16.5%	-4.3%	-14.3%	8.1%	5.6%	3.3%
National (Thousands)	2,445	2,430	2,400	2,359	2,303	2,244	2,196	2,143	2,116	2,097	2,098	2,109
% Ch	-3.0%	-2.5%	-4.8%	-6.7%	-9.1%	-9.9%	-8.3%	-9.4%	-5.0%	-3.4%	0.1%	2.1%
MINING												
Idaho	2,480	2,452	2,414	2,354	2,238	2,125	1,955	1,831	1,876	1,815	1,816	1,865
%Ch	-7.2%	-4.5%	-5.9%	-9.7%	-18.2%	-18.7%	-28.4%	-23.0%	10.0%	-12.3%	0.1%	11.3%
National (Thousands)	534	542	545	551	556	565	571	566	564	559	553	567
%Ch	0.8%	5.9%	2.5%	4.7%	3.7%	6.6%	3.8%	-3.5%	-1.2%	-3.5%	-4.2%	10.8%
METAL MINING												
Idaho	1,320	1,259	1,191	1,122	1,013	891	747	644	628	602	615	659
%Ch	-10.9%	-17.2%	-19.9%	-21.3%	-33.4%	-40.2%	-50.8%	-44.5%	-10.0%	-15.4%	8.9%	31.7%
OTHER MINING												
Idaho	1,160	1,192	1,223	1,232	1,225	1,234	1,209	1,187	1,248	1,213	1,201	1,206
% Ch	-2.8%	11.7%	10.7%	2.9%	-2.2%	3.1%	-8.0%	-6.9%	22.2%	-10.7%	-4.0%	1.8%

National Variables Forecast by DRI*WEFA
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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL OCTOBER 2002

EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	26,995	27,067	27,231	27,398	27,586	27,777	27,962	28,150	28,320	28,482	28,628	28,765
% Ch	0.2%	1.1%	2.4%	2.5%	2.8%	2.8%	2.7%	2.7%	2.4%	2.3%	2.1%	1.9%
National (Thousands)	6,865	6,841	6,831	6,836	6,855	6,886	6,923	6,951	6,961	6,971	6,979	6,973
% Ch	1.5%	-1.4%	-0.6%	0.3%	1.1%	1.8%	2.2%	1.6%	0.6%	0.6%	0.4%	-0.4%
FOOD PROCESSING												
Idaho	16,354	16,333	16,406	16,475	16,547	16,615	16,680	16,744	16,794	16,839	16,879	16,913
% Ch	-0.6%	-0.5%	1.8%	1.7%	1.8%	1.7%	1.6%	1.5%	1.2%	1.1%	1.0%	0.8%
National (Thousands)	1,699	1,699	1,704	1,709	1,715	1,729	1,746	1,756	1,761	1,769	1,771	1,766
% Ch	2.9%	-0.1%	1.1%	1.3%	1.4%	3.4%	4.0%	2.2%	1.2%	1.8%	0.6%	-1.1%
CANNED, CURED, & FROZEN												
Idaho	8,948	8,891	8,922	8,953	8,982	9,010	9,037	9,062	9,084	9,105	9,126	9,146
% Ch	-2.4%	-2.5%	1.4%	1.4%	1.3%	1.3%	1.2%	1.1%	1.0%	0.9%	0.9%	0.9%
OTHER FOOD PROCESSING												
Idaho	7,406	7,442	7,484	7,522	7,565	7,605	7,644	7,682	7,710	7,733	7,754	7,767
% Ch	1.6%	2.0%	2.3%	2.0%	2.3%	2.1%	2.0%	2.0%	1.4%	1.2%	1.1%	0.7%
PAPER, PRINTING, PUBLISH.												
Idaho	6,864	6,943	7,020	7,101	7,194	7,297	7,400	7,503	7,602	7,694	7,782	7,865
% Ch	1.5%	4.7%	4.5%	4.7%	5.4%	5.8%	5.8%	5.7%	5.3%	5.0%	4.6%	4.3%
National (Thousands)	2,039	2,037	2,039	2,051	2,066	2,083	2,102	2,119	2,130	2,141	2,153	2,161
% Ch	2.1%	-0.5%	0.5%	2.3%	3.0%	3.4%	3.6%	3.3%	2.2%	2.1%	2.2%	1.5%
CHEMICALS												
Idaho	1,835	1,827	1,821	1,816	1,812	1,808	1,804	1,800	1,798	1,797	1,796	1,793
% Ch	-0.1%	-1.6%	-1.4%	-1.1%	-0.9%	-0.8%	-0.9%	-0.9%	-0.4%	-0.2%	-0.4%	-0.6%
National (Thousands)	1,006	995	985	978	972	969	968	967	962	957	957	955
% Ch	-3.1%	-4.3%	-4.1%	-2.8%	-2.4%	-1.5%	-0.2%	-0.6%	-2.0%	-1.9%	-0.3%	-0.7%
OTHER NONDURABLES												
Idaho	1,942	1,963	1,983	2,007	2,033	2,057	2,077	2,103	2,127	2,151	2,171	2,195
% Ch	2.4%	4.4%	4.1%	4.9%	5.2%	4.8%	4.1%	4.9%	4.7%	4.7%	3.8%	4.4%
National (Thousands)	2,120	2,110	2,103	2,097	2,101	2,104	2,107	2,110	2,108	2,104	2,098	2,090
% Ch	2.1%	-1.9%	-1.4%	-1.0%	0.8%	0.5%	0.6%	0.6%	-0.4%	-0.9%	-1.1%	-1.4%
MINING												
Idaho	1,914	1,920	1,956	2,003	2,073	2,121	2,126	2,096	2,008	1,877	1,742	1,611
%Ch	10.9%	1.4%	7.8%	9.9%	14.8%	9.5%	1.0%	-5.5%	-15.7%	-23.7%	-25.8%	-27.0%
National (Thousands)	578	581	583	584	585	586	582	578	572	565	558	551
%Ch	7.4%	2.3%	1.4%	0.9%	0.6%	0.4%	-2.4%	-2.5%	-4.3%	-4.9%	-4.6%	-4.8%
METAL MINING												
Idaho	709	725	761	798	840	871	873	849	786	698	609	520
%Ch	34.3%	9.5%	20.9%	21.1%	22.7%	15.8%	1.0%	-10.8%	-26.4%	-37.9%	-41.9%	-46.8%
OTHER MINING												
Idaho	1,205	1,195	1,196	1,205	1,234	1,250	1,253	1,248	1,222	1,180	1,133	1,091
% Ch	-0.6%	-3.2%	0.3%	3.1%	9.8%	5.3%	0.9%	-1.6%	-7.9%	-13.3%	-14.8%	-14.3%

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2002

EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	36,449	36,387	36,391	36,565	37,752	37,763	37,497	36,056	35,331	34,165	34,102	33,924
% Ch	5.6%	-0.7%	0.0%	1.9%	13.6%	0.1%	-2.8%	-14.5%	-7.8%	-12.6%	-0.7%	-2.1%
National (Thousands)	6,665	6,639	6,641	6,675	6,740	6,699	6,678	6,635	6,602	6,544	6,541	6,433
% Ch	7.7%	-1.6%	0.2%	2.0%	4.0%	-2.4%	-1.3%	-2.5%	-2.0%	-3.5%	-0.1%	-6.4%
SERVICE PRODUCING SECTOR												
Idaho	436,098	442,219	446,340	448,062	451,407	453,464	454,360	455,610	456,259	453,850	456,561	459,071
% Ch	4.2%	5.7%	3.8%	1.6%	3.0%	1.8%	0.8%	1.1%	0.6%	-2.1%	2.4%	2.2%
National (Thousands)	105,293	106,129	106,195	106,559	106,941	107,057	107,157	106,755	106,711	106,827	107,064	107,292
% Ch	2.9%	3.2%	0.2%	1.4%	1.4%	0.4%	0.4%	-1.5%	-0.2%	0.4%	0.9%	0.9%
FINANCE, INSUR, REAL ESTATE												
Idaho	23,625	23,534	23,402	23,453	23,672	24,019	24,304	24,352	24,334	24,369	24,449	24,468
% Ch	2.7%	-1.5%	-2.2%	0.9%	3.8%	6.0%	4.8%	0.8%	-0.3%	0.6%	1.3%	0.3%
National (Thousands)	7,570	7,554	7,569	7,620	7,664	7,712	7,728	7,747	7,744	7,736	7,749	7,746
% Ch	-0.2%	-0.9%	0.8%	2.8%	2.3%	2.5%	0.9%	1.0%	-0.2%	-0.4%	0.7%	-0.2%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	27,753	27,977	28,177	27,870	28,324	28,239	28,083	27,902	27,664	27,214	27,353	27,489
% Ch	3.6%	3.3%	2.9%	-4.3%	6.7%	-1.2%	-2.2%	-2.6%	-3.4%	-6.3%	2.1%	2.0%
National (Thousands)	6,965	7,008	7,042	7,114	7,145	7,130	7,081	6,912	6,834	6,794	6,758	6,739
% Ch	2.9%	2.5%	1.9%	4.2%	1.8%	-0.9%	-2.7%	-9.2%	-4.5%	-2.3%	-2.1%	-1.1%
TRADE												
Idaho	139,121	140,248	142,512	142,435	142,089	141,823	140,235	139,746	140,286	139,416	140,582	141,698
% Ch	2.7%	3.3%	6.6%	-0.2%	-1.0%	-0.7%	-4.4%	-1.4%	1.6%	-2.5%	3.4%	3.2%
National (Thousands)	30,192	30,268	30,307	30,349	30,387	30,362	30,307	30,120	30,044	30,007	29,977	29,934
% Ch	2.3%	1.0%	0.5%	0.5%	0.5%	-0.3%	-0.7%	-2.4%	-1.0%	-0.5%	-0.4%	-0.6%
SERVICES												
Idaho	141,080	144,049	146,242	148,569	148,494	150,009	151,234	151,619	152,130	151,338	152,778	154,102
% Ch	7.5%	8.7%	6.2%	6.5%	-0.2%	4.1%	3.3%	1.0%	1.4%	-2.1%	3.9%	3.5%
National (Thousands)	40,032	40,340	40,621	40,842	40,998	40,993	41,037	40,880	40,924	41,090	41,316	41,552
% Ch	3.7%	3.1%	2.8%	2.2%	1.5%	0.0%	0.4%	-1.5%	0.4%	1.6%	2.2%	2.3%
STATE & LOCAL GOVERNMENT												
Idaho	91,196	92,110	92,862	92,780	95,757	96,308	97,045	98,447	98,585	98,249	98,199	98,102
% Ch	1.6%	4.1%	3.3%	-0.4%	13.5%	2.3%	3.1%	5.9%	0.6%	-1.4%	-0.2%	-0.4%
National (Thousands)	17,807	17,884	17,960	18,015	18,129	18,246	18,381	18,478	18,556	18,597	18,648	18,695
% Ch	2.1%	1.7%	1.7%	1.2%	2.6%	2.6%	3.0%	2.1%	1.7%	0.9%	1.1%	1.0%
Idaho Education	50,140	50,550	50,950	50,715	51,176	51,353	51,579	52,502	52,183	52,232	52,268	52,265
% Ch	3.9%	3.3%	3.2%	-1.8%	3.7%	1.4%	1.8%	7.4%	-2.4%	0.4%	0.3%	0.0%
Idaho Other	41,056	41,560	41,912	42,065	44,581	44,955	45,466	45,945	46,403	46,017	45,930	45,837
% Ch	-1.1%	5.0%	3.4%	1.5%	26.2%	3.4%	4.6%	4.3%	4.0%	-3.3%	-0.8%	-0.8%
FEDERAL GOVERNMENT												
Idaho	13,324	14,301	13,145	12,955	13,071	13,066	13,459	13,544	13,260	13,262	13,200	13,212
% Ch	6.3%	32.7%	-28.6%	-5.7%	3.6%	-0.1%	12.6%	2.6%	-8.1%	0.1%	-1.9%	0.4%
National (Thousands)	2,727	3,075	2,697	2,619	2,617	2,616	2,623	2,618	2,609	2,604	2,617	2,626
% Ch	13.0%	61.7%	-40.9%	-11.0%	-0.3%	-0.3%	1.1%	-0.8%	-1.3%	-0.9%	2.0%	1.5%

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QUARTERLY DETAIL

OCTOBER 2002

EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	33,639	33,681	33,807	33,932	33,760	33,569	33,454	33,440	33,615	33,934	34,359	34,862
% Ch	-3.3%	0.5%	1.5%	1.5%	-2.0%	-2.2%	-1.4%	-0.2%	2.1%	3.8%	5.1%	6.0%
National (Thousands)	6,439	6,440	6,505	6,584	6,647	6,684	6,745	6,806	6,906	6,951	6,980	7,010
% Ch	0.4%	0.0%	4.1%	5.0%	3.9%	2.3%	3.7%	3.7%	6.0%	2.7%	1.7%	1.7%
SERVICE PRODUCING SECTOR												
Idaho	461,672	464,254	467,180	469,791	472,169	474,423	476,707	479,075	481,856	484,996	488,206	491,233
% Ch	2.3%	2.3%	2.5%	2.3%	2.0%	1.9%	1.9%	2.0%	2.3%	2.6%	2.7%	2.5%
National (Thousands)	107,842	108,499	109,343	110,334	111,142	111,791	112,395	112,987	113,376	113,701	114,072	114,380
% Ch	2.1%	2.5%	3.1%	3.7%	3.0%	2.4%	2.2%	2.1%	1.4%	1.2%	1.3%	1.1%
FINANCE, INSUR, REAL ESTATE												
Idaho	24,494	24,536	24,591	24,655	24,746	24,842	24,919	24,992	25,056	25,109	25,158	25,215
% Ch	0.4%	0.7%	0.9%	1.1%	1.5%	1.6%	1.2%	1.2%	1.0%	0.9%	0.8%	0.9%
National (Thousands)	7,803	7,855	7,926	8,007	8,084	8,151	8,220	8,288	8,334	8,369	8,396	8,409
% Ch	3.0%	2.7%	3.7%	4.1%	3.9%	3.3%	3.5%	3.3%	2.2%	1.7%	1.3%	0.6%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	27,618	27,740	27,857	27,970	28,083	28,202	28,322	28,443	28,565	28,683	28,798	28,908
% Ch	1.9%	1.8%	1.7%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.6%	1.5%
National (Thousands)	6,807	6,873	6,954	7,042	7,117	7,179	7,243	7,297	7,333	7,359	7,391	7,420
% Ch	4.1%	3.9%	4.8%	5.2%	4.3%	3.5%	3.6%	3.0%	2.0%	1.4%	1.7%	1.6%
TRADE												
Idaho	142,816	143,923	145,076	146,080	147,050	147,943	148,870	149,836	150,983	152,278	153,611	154,868
% Ch	3.2%	3.1%	3.2%	2.8%	2.7%	2.5%	2.5%	2.6%	3.1%	3.5%	3.5%	3.3%
National (Thousands)	29,979	30,180	30,377	30,627	30,749	30,863	30,933	31,005	30,971	30,970	30,953	30,935
% Ch	0.6%	2.7%	2.6%	3.3%	1.6%	1.5%	0.9%	0.9%	-0.4%	0.0%	-0.2%	-0.2%
SERVICES												
Idaho	155,505	156,879	158,347	159,618	160,769	161,818	162,912	164,058	165,443	167,023	168,654	170,184
% Ch	3.7%	3.6%	3.8%	3.2%	2.9%	2.6%	2.7%	2.8%	3.4%	3.9%	4.0%	3.7%
National (Thousands)	41,860	42,151	42,604	43,142	43,679	44,030	44,376	44,715	45,026	45,231	45,506	45,738
% Ch	3.0%	2.8%	4.4%	5.1%	5.1%	3.2%	3.2%	3.1%	2.8%	1.8%	2.5%	2.0%
STATE & LOCAL GOVERNMENT												
Idaho	98,030	97,944	98,066	98,232	98,291	98,397	98,487	98,557	98,635	98,735	98,823	98,915
% Ch	-0.3%	-0.3%	0.5%	0.7%	0.2%	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%	0.4%
National (Thousands)	18,757	18,791	18,822	18,847	18,837	18,885	18,935	18,991	19,018	19,076	19,129	19,179
% Ch	1.3%	0.7%	0.7%	0.5%	-0.2%	1.0%	1.1%	1.2%	0.6%	1.2%	1.1%	1.1%
Idaho Education	52,342	52,395	52,480	52,615	52,647	52,725	52,790	52,834	52,887	52,957	53,014	53,073
% Ch	0.6%	0.4%	0.6%	1.0%	0.2%	0.6%	0.5%	0.3%	0.4%	0.5%	0.4%	0.4%
Idaho Other	45,688	45,549	45,586	45,617	45,644	45,672	45,697	45,723	45,748	45,778	45,809	45,842
% Ch	-1.3%	-1.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
FEDERAL GOVERNMENT												
Idaho	13,209	13,232	13,244	13,235	13,232	13,221	13,197	13,188	13,175	13,169	13,162	13,143
% Ch	-0.1%	0.7%	0.4%	-0.3%	-0.1%	-0.3%	-0.7%	-0.3%	-0.4%	-0.2%	-0.2%	-0.6%
National (Thousands)	2,635	2,649	2,660	2,669	2,677	2,682	2,687	2,691	2,694	2,696	2,698	2,699
% Ch	1.4%	2.1%	1.7%	1.4%	1.1%	0.9%	0.7%	0.6%	0.5%	0.4%	0.3%	0.2%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2002

MISCELLANEOUS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,081.5	1,095.3	1,146.1	1,151.5	1,205.1	1,270.9	1,227.8	1,305.6	1,318.7	1,392.1	1,417.2	1,443.8
% Ch	-3.2%	5.2%	19.9%	1.9%	20.0%	23.7%	-12.9%	27.9%	4.1%	24.2%	7.4%	7.7%
National (Billions)	239.4	242.2	253.8	254.6	266.8	281.9	271.4	289.4	292.3	309.6	315.5	321.8
% Ch	-4.2%	4.8%	20.6%	1.3%	20.6%	24.6%	-14.1%	29.3%	4.1%	25.9%	7.8%	8.2%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	106.1	106.7	107.1	107.7	108.7	109.3	109.9	109.8	110.1	110.5	111.0	111.9
% Ch	3.1%	2.3%	1.6%	2.1%	3.7%	2.5%	2.2%	-0.5%	1.3%	1.2%	1.9%	3.4%
Consumption Expenditures	106.5	107.1	107.7	108.3	109.2	109.6	109.6	109.8	110.1	110.9	111.5	112.4
% Ch	3.4%	2.3%	2.1%	2.2%	3.3%	1.8%	-0.1%	0.8%	1.1%	2.7%	2.1%	3.4%
Durable Goods	91.9	91.7	91.2	91.0	90.7	89.9	89.3	88.9	88.0	87.4	86.9	86.8
% Ch	-2.0%	-0.8%	-2.2%	-1.2%	-1.2%	-3.4%	-2.7%	-1.5%	-4.2%	-2.9%	-1.9%	-0.6%
Nondurable Goods	106.5	107.3	108.0	108.5	109.0	109.8	109.4	108.5	108.5	109.8	110.4	111.7
% Ch	5.3%	3.0%	2.8%	1.8%	1.8%	2.9%	-1.4%	-3.5%	0.2%	4.6%	2.4%	4.6%
Services	109.8	110.5	111.2	112.0	113.4	114.1	114.4	115.4	116.1	117.0	117.8	118.9
% Ch	3.6%	2.5%	2.6%	3.2%	5.1%	2.3%	1.1%	3.5%	2.7%	3.0%	2.8%	3.6%
Cons. Price Index (1982-84)	170.1	171.5	173.0	174.2	175.9	177.3	177.6	177.5	178.1	179.6	180.5	182.2
% Ch	3.9%	3.3%	3.5%	3.0%	3.9%	3.1%	0.8%	-0.3%	1.4%	3.4%	2.2%	3.9%
SELECTED INTEREST RATES												
Federal Funds	5.62%	6.26%	6.53%	6.51%	5.59%	4.38%	3.54%	2.16%	1.72%	1.75%	1.75%	1.75%
Prime	8.69%	9.25%	9.50%	9.50%	8.62%	7.34%	6.57%	5.16%	4.75%	4.75%	4.75%	4.75%
Existing Home Mortgage	8.02%	8.19%	8.10%	7.81%	7.21%	7.15%	7.06%	6.71%	6.86%	6.82%	6.40%	6.41%
U.S. Govt. 3-Month Bills	5.50%	5.72%	6.00%	6.03%	4.86%	3.67%	3.25%	1.93%	1.72%	1.72%	1.65%	1.54%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	111.5	108.8	106.7	103.4	99.8	102.5	104.6	102.1	101.7	101.6	101.7	101.5
% Ch	2.2%	-9.2%	-7.7%	-11.9%	-13.0%	11.3%	8.4%	-9.4%	-1.6%	-0.4%	0.4%	-1.0%
Office & Computer Equip.	306.8	334.0	360.6	373.6	369.9	353.8	340.0	343.0	370.5	375.0	379.6	390.5
% Ch	43.9%	40.4%	35.9%	15.2%	-3.9%	-16.3%	-14.7%	3.6%	36.1%	4.9%	5.0%	12.0%
Electrical Machinery	236.6	258.9	270.2	274.7	263.8	246.8	235.3	235.4	242.0	250.1	256.3	266.4
% Ch	44.8%	43.3%	18.7%	6.8%	-15.0%	-23.3%	-17.5%	0.3%	11.7%	14.1%	10.3%	16.6%
Electronic Components	432.1	500.0	532.3	545.9	523.7	480.1	450.4	466.7	505.7	543.5	573.0	604.4
% Ch	84.7%	79.2%	28.5%	10.7%	-15.3%	-29.4%	-22.6%	15.3%	37.9%	33.4%	23.5%	23.8%
Food	107.5	108.0	108.4	108.0	107.6	107.0	106.9	107.3	108.1	107.8	107.5	108.0
% Ch	1.9%	1.9%	1.7%	-1.5%	-1.5%	-2.1%	-0.6%	1.5%	2.9%	-1.0%	-1.2%	1.9%
Paper	108.1	108.2	104.9	105.4	102.3	101.9	101.5	99.0	97.7	100.1	101.1	101.2
% Ch	-2.0%	0.1%	-11.4%	1.9%	-11.5%	-1.4%	-1.4%	-9.5%	-5.3%	10.1%	4.1%	0.5%
Agricultural Chemicals	97.9	95.9	93.2	95.2	91.3	87.0	90.3	94.3	88.4	87.3	88.4	88.5
% Ch	-10.0%	-8.0%	-10.8%	8.8%	-15.2%	-17.6%	15.8%	19.3%	-22.7%	-5.0%	5.0%	0.5%
Metals & Minerals Mining	108.3	106.4	105.7	103.9	105.6	106.4	103.9	100.5	100.9	101.6	103.1	103.2
% Ch	8.6%	-6.6%	-2.6%	-6.6%	6.4%	3.4%	-9.2%	-12.5%	1.7%	2.6%	6.4%	0.2%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2002

MISCELLANEOUS

	Q1	2003			Q1	2004			Q1	2005		
		Q2	Q3	Q4		Q2	Q3	Q4		Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,471.3	1,488.9	1,507.5	1,537.5	1,558.1	1,577.9	1,597.7	1,617.9	1,638.6	1,653.2	1,667.8	1,687.8
% Ch	7.8%	4.9%	5.1%	8.2%	5.5%	5.2%	5.1%	5.2%	5.2%	3.6%	3.6%	4.9%
National (Billions)	328.1	331.9	336.0	342.8	347.5	351.9	356.4	360.9	365.6	368.8	371.9	376.3
% Ch	8.1%	4.8%	5.0%	8.3%	5.5%	5.2%	5.2%	5.2%	5.3%	3.5%	3.4%	4.8%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	112.8	113.4	114.1	114.9	115.7	116.6	117.4	118.2	119.1	119.8	120.6	121.2
% Ch	3.0%	2.4%	2.5%	2.6%	3.1%	2.9%	3.0%	2.8%	3.0%	2.5%	2.4%	2.2%
Consumption Expenditures	113.1	113.8	114.5	115.3	116.1	116.9	117.7	118.6	119.3	120.1	120.8	121.5
% Ch	2.4%	2.5%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.7%	2.5%	2.4%	2.3%
Durable Goods	86.7	86.7	86.7	86.7	86.7	86.8	86.7	86.8	86.8	86.8	86.8	86.8
% Ch	-0.6%	0.0%	0.0%	0.0%	0.1%	0.3%	-0.1%	0.1%	0.1%	0.1%	0.1%	-0.1%
Nondurable Goods	111.6	111.9	112.5	113.1	113.6	114.2	114.9	115.8	116.3	116.8	117.4	117.8
% Ch	-0.1%	1.1%	2.1%	2.1%	1.8%	2.0%	2.8%	2.9%	1.8%	2.0%	1.9%	1.6%
Services	120.1	121.2	122.2	123.3	124.4	125.5	126.6	127.7	128.9	129.9	130.9	131.9
% Ch	4.2%	3.7%	3.5%	3.5%	3.8%	3.7%	3.5%	3.5%	3.6%	3.3%	3.1%	3.1%
Cons. Price Index (1982-84)	183.4	184.6	185.9	187.1	188.5	189.9	191.3	192.8	194.2	195.5	196.8	198.1
% Ch	2.6%	2.6%	2.8%	2.8%	2.8%	3.0%	3.1%	3.1%	2.9%	2.8%	2.7%	2.5%
SELECTED INTEREST RATES												
Federal Funds	1.75%	1.75%	2.15%	2.64%	2.96%	3.42%	3.50%	3.75%	4.00%	4.00%	4.25%	4.50%
Prime	4.75%	4.75%	5.15%	5.64%	5.96%	6.42%	6.50%	6.75%	7.00%	7.00%	7.25%	7.50%
Existing Home Mortgage	6.45%	6.44%	6.41%	6.48%	6.08%	6.21%	6.32%	6.30%	6.41%	6.82%	7.27%	7.57%
U.S. Govt. 3-Month Bills	1.52%	1.66%	2.10%	2.56%	2.84%	3.25%	3.35%	3.57%	3.78%	3.79%	4.01%	4.24%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	100.8	99.9	99.1	98.9	99.6	100.3	101.0	101.4	101.4	101.3	101.2	101.4
% Ch	-2.6%	-3.3%	-3.4%	-0.8%	2.8%	2.9%	2.8%	1.7%	0.0%	-0.3%	-0.3%	0.7%
Office & Computer Equip.	409.2	435.2	464.7	500.9	543.9	580.8	619.0	658.4	691.9	725.7	759.6	793.8
% Ch	20.6%	28.0%	30.0%	35.0%	39.0%	30.0%	29.0%	28.0%	22.0%	21.0%	20.0%	19.3%
Electrical Machinery	279.7	295.2	313.1	331.5	349.5	368.2	386.9	405.7	425.2	444.7	466.0	487.1
% Ch	21.5%	24.1%	26.5%	25.7%	23.5%	23.2%	22.0%	20.8%	20.7%	19.6%	20.6%	19.4%
Electronic Components	644.1	689.1	740.0	793.2	845.4	899.2	952.7	1,008.9	1,067.7	1,129.2	1,196.8	1,264.5
% Ch	29.0%	31.0%	33.0%	32.0%	29.0%	28.0%	26.0%	25.8%	25.4%	25.1%	26.2%	24.6%
Food	108.7	109.5	110.3	111.1	111.9	112.8	113.6	114.4	115.1	115.7	116.4	116.9
% Ch	2.7%	2.9%	3.1%	2.9%	3.1%	2.9%	2.9%	2.8%	2.5%	2.3%	2.2%	2.0%
Paper	101.7	102.4	103.2	104.1	105.1	105.9	106.7	107.3	108.0	108.6	109.2	109.7
% Ch	1.9%	2.9%	3.2%	3.5%	3.7%	3.3%	2.8%	2.5%	2.5%	2.3%	2.1%	2.0%
Agricultural Chemicals	88.6	88.9	89.2	89.6	90.0	90.3	90.7	91.3	91.9	92.3	92.8	93.1
% Ch	0.7%	1.2%	1.5%	1.6%	1.8%	1.3%	1.9%	2.7%	2.4%	2.1%	1.8%	1.5%
Metals & Minerals Mining	102.9	102.8	103.4	104.1	105.2	106.0	107.5	108.8	109.6	110.7	111.7	112.3
% Ch	-1.0%	-0.7%	2.4%	2.8%	4.2%	3.1%	5.9%	4.7%	3.2%	3.9%	3.9%	2.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the THIRD Quarter of 2002

APPENDIX

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THE DRI*WEFA U.S. MACROECONOMIC MODEL

DRI*WEFA Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI*WEFA model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI*WEFA divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The DRI*WEFA model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI*WEFA U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors' income} \\ & + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI*WEFA's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI*WEFA model, an understanding of the DRI*WEFA model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI*WEFA model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

ID0AHEMF	$ID0AHEMF = 3.132 + 7.748 * (ID0NEWMFD \setminus 1 / ID0NEWMF \setminus 1 * JRWSSNF) + 9.057 * (ID0NEWMFN \setminus 1 / ID0NEWMF \setminus 1 * JRWSSNF)$
ID0AVGWS	$ID0AVGWS = ((ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / ID0NEW) * 1000$
ID0CRCROP	$ID0CRCROP = -1.344 + 0.011 * CRCROP + 1.892 * WPI01$
ID0CRLVSTK	$ID0CRLVSTK = -1.059 + 0.024 * CRCATCVS + 1.548 * WPI01$
ID0EXFP	$ID0EXFP = -0.866 + 3.447 * WPI01$
ID0GIA\$	$ID0GIA\$ = 99.243 + 914.242 * (VAIDGF_SL * ID0NPT / N)$
ID0HSPR	$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$
ID0HSPRS1_A	$ID0HSPRS1_A = -12.540 - 0.314 * (RMMTGENS - MOVAV(RMMTGENS \setminus 1, 4)) + 99.211 * (MOVAV(ID0NPT \setminus 1, 4) - MOVAV(ID0NPT \setminus 5, 4)) + 0.048 * ID0KHU \setminus 1$
ID0HSPRS2A_A	$ID0HSPRS2A_A = 7.340 + 44.389 * (MOVAV(ID0NPT \setminus 1, 4) - MOVAV(ID0NPT \setminus 5, 4)) - 0.270 * (MOVAV(RMMTGENS, 4)) - 0.024 * TIME$
ID0IPMFDNEC	$ID0IPMFDNEC = 13.0 * JQIND25 * 100 / 81.2 + 52.5 * JQIND37 * 100 / 81.2 + 15.7 * JQIND39 * 100 / 81.2$
ID0IP26_27	$ID0IP26_27 = 252.3 * JQIND26 * 100 / 498.1 + 245.8 * JQIND27 * 100 / 498.1$
ID0IP32_34	$ID0IP32_34 = 58.8 * JQIND32 * 100 / 206.9 + 148.1 * JQIND34 * 100 / 206.9$
ID0KHU	$ID0KHU = ID0KHU1 + ID0KHU2A$
ID0KHU1	$ID0KHU1 = ((1 - 0.003) ** .25) * ID0KHU1 \setminus 1 + ID0HSPRS1_A / 4$
ID0KHU2A	$ID0KHU2A = ((1 - 0.003) ** .25) * ID0KHU2A \setminus 1 + ID0HSPRS2A_A / 4$
ID0NB	$ID0NB = 3.345 + 38.249 * ID0NPT - 0.151 * TIME$
ID0ND	$ID0ND = -0.181 + 6.004 * ID0NPT + 0.009 * TIME$
ID0NEW	$ID0NEW = ID0NEWMF + ID0NEWNM$
ID0NEWCC	$ID0NEWCC = -15.311 + 0.154 * TIME + 0.043 * ID0HSPRS1_A + 0.117 * ID0HSPRS1_A \setminus 1 + 0.192 * ID0HSPRS1_A \setminus 2 + 0.266 * ID0HSPRS1_A \setminus 3 + 0.341 * ID0HSPRS1_A \setminus 4 + 0.416 * ID0HSPRS1_A \setminus 5 + 0.490 * ID0HSPRS1_A \setminus 6$
ID0NEWFIR	$ID0NEWFIR = -2.486 + 0.151 * (MOVAV(ID0HSPR, 2)) + 25.697 * ID0NPT - 4.440 * DUM861ON - 3.510 * DUM981ON$
ID0NEWGOOD	$ID0NEWGOOD = ID0NEWMF + ID0NEWMG + ID0NEWCC$

ID0NEWGV	$ID0NEWGV = ID0NEWGVF + ID0NEWGVSL$
ID0NEWGVF	$ID0NEWGVF = 1.710 + 678.399 * (EGF * (ID0NPT / N)) + 3.716 * (EGF * (GFO96C / GF96C)) - 0.002 * TIME$
ID0NEWGVSL	$ID0NEWGVSL = ID0NEWGVSL_{ED} + ID0NEWGVSL_ED$
ID0NEWGVSL_ED	$ID0NEWGVSL_ED = -15.640 + 23.150 * ID0NPT + 0.131 * TIME$
ID0NEWGVSL_{ED}	$ID0NEWGVSL_{ED} = -13.620 + 74.832 * (ID0NPT * ((N - N16A) / N)) + 0.494 * (MOVAV(ID0YPTXB \ 4, 4)) + 0.148 * TIME$
ID0NEWMF	$ID0NEWMF = ID0NEWMFD + ID0NEWMFN$
ID0NEWMFD	$ID0NEWMFD = ID0NEW24 + ID0NEW32_34 + ID0NEW35_36 + ID0NEWMFDNEC$
ID0NEWMFDNEC	$ID0NEWMFDNEC = -3.826 + 0.081 * ID0IPMFDNEC$
ID0NEWMFN	$ID0NEWMFN = ID0NEW20 + ID0NEW26_27 + ID0NEW28 + ID0NEWMFNNEC$
ID0NEWMFNNEC	$ID0NEWMFNNEC = 0.821 + 0.002 * (CNCS96C + CNOTH96C) - 0.100 * DUM87ON$
ID0NEWMG	$ID0NEWMG = ID0NEWMG_10 + ID0NEW10$
ID0NEWMG_10	$ID0NEWMG_10 = 3.051 + 0.401 * (MOVAV(JQIND287, 2)) + 0.053 * ID0HSPR + 0.012 * (JQIND333_9 * TIME) - 0.594 * (JQIND33 / EMI) - 0.894 * (JRWSSNF / WPI10) - 0.017 * TIME$
ID0NEWNGOOD	$ID0NEWNGOOD = ID0NEWNM - ID0NEWMG - ID0NEWCC$
ID0NEWNM	$ID0NEWNM = ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG$
ID0NEWSV	$ID0NEWSV = -36.555 + 6.394 * (MOVAV(YPADJ_ID, 3) / MOVAV(PCWC, 3))$
ID0NEWTCU	$ID0NEWTCU = -12.622 + 0.095 * ID0KHU \ 1$
ID0NEWWR	$ID0NEWWR = 7.445 + 4.834 * (MOVAV(YPADJ_ID, 3) / MOVAV(PCWC, 3))$
ID0NEW10	$ID0NEW10 = 2.662 + 6.137 * JQIND333_9 - 1.699 * (JQIND33 / EMI) - 4.939 * (JRWSSNF / WPI10)$
ID0NEW20	$ID0NEW20 = ID0NEW20_203 + ID0NEW203$
ID0NEW20_203	$ID0NEW20_203 = -4.421 + 11.085 * JQIND20$
ID0NEW203	$ID0NEW203 = 8.938 + 17.793 * JQIND201_7A9 - 0.080 * (JQIND201_7A9 * TIME)$
ID0NEW24	$ID0NEW24 = 21.216 + 8.226 * (MOVAV(JQIND24, 2)) - 13.259 * (JRWSSNF / WPI08) - 0.213 * DUM821ON - 0.033 * TIME$
ID0NEW26_27	$ID0NEW26_27 = -1.184 + 0.084 * (MOVAV(ID0IP26_27 \ 1, 4))$

ID0NEW28	$ID0NEW28 = -0.360 + 1.516 * (MOVAV(JQIND28 \setminus 1, 2)) + 0.928 * DUM841ON - 1.930 * DUM951ON + 0.011 * TIME$
ID0NEW32_34	$ID0NEW32_34 = -1.289 + 0.023 * (MOVAV(ID0IP32_34, 2)) - 1.651 * (JQIND34/E34) + 0.0589 * (ID0NEW20 \setminus 1 + ID0NEW24 \setminus 1 + ID0NEWMG \setminus 1 + ID0NEWCC \setminus 1 + ID0NEW26_27 \setminus 1)$
ID0NEW35	$ID0NEW35 = -7.051 - 0.109 * JQIND357 - 1.471 * DUM861884 + 0.085 * TIME$
ID0NEW35_36	$ID0NEW35_36 = ID0NEW35 + ID0NEW36$
ID0NEW36	$ID0NEW36 = -13.287 + 0.970 * JQIND367 - 0.649 * DUM801884 + 0.109 * TIME$
ID0NMG	$ID0NMG = 4 * (ID0NPT - ID0NPT \setminus 1) - (ID0NB - ID0ND) / 1000$
ID0NPT	$ID0NPT = -0.080 + 1.010 * ID0NPT \setminus 1 + 0.073 * ((ID0NEW \setminus 1 / ID0NEW \setminus 5) / (EEA \setminus 1 / EEA \setminus 5))$
ID0WBB\$	$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$
ID0WBBCC\$	$ID0WBBCC\$ = (ID0WRWCC\$ * ID0NEWCC) / 1000000$
ID0WBBF\$	$ID0WBBF\$ = -0.507 + 0.608 * WPI02$
ID0WBBMF\$	$ID0WBBMF\$ = (ID0WRWMF\$ * ID0NEWMF) / 1000000$
ID0WBBMIL\$	$ID0WBBMIL\$ = 0.020 + 0.260 * ((ID0NPT/N) * GFMLWSS_FAC)$
ID0WBBOTH\$	$ID0WBBOTH\$ = ID0WRWOTH\$ * (ID0NEW - ID0NEWCC - ID0NEWMF) / 1000000$
ID0WRWCC\$	$ID0WRWCC\$ = 7836.961 + 1615.710 * ID0AHEMF$
ID0WRWMF\$	$ID0WRWMF\$ = -15264.890 + 3879.600 * ID0AHEMF$
ID0WRWOTH\$	$ID0WRWOTH\$ = -5050.855 + 2204.515 * ID0AHEMF$
ID0YDIR\$	$ID0YDIR\$ = 0.039 + 1.001 * ((YINTPER + DIV + YRENTADJ) * MOVAV(ID0YPS \setminus 1, 4) / MOVAV(YP \setminus 1, 4))$
ID0YFC\$	$ID0YFC\$ = -0.131 + 0.796 * ID0YFC\$ \setminus 1 + 0.136 * WPI01$
ID0YINV_R\$	$ID0YINV_R\$ = -0.098 + 0.778 * ID0YINV_R\$ \setminus 1 + 0.144 * WPI01$
ID0YP	$ID0YP = ID0YP\$ / PCWC$
ID0YP\$	$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS$
ID0YPNF	$ID0YPNF = ID0YPNF\$ / PCWC$
ID0YPNF\$	$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$

ID0YPNFPC	$ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$
ID0YPRF\$	$ID0YPRF\$ = 0.317 + 342.301 * ((ID0CRCROP + ID0CRLVSTK + ID0YTRF\$ + ID0YINV_R\$ - ID0YFC\$ - ID0EXFP) / 1000)$
ID0YPRNF\$	$ID0YPRNF\$ = 0.047 + 0.004 * YENTNFADJ$
ID0YPTXB	$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV_R\$ / 1000)) / PCWC$
ID0YRAS	$ID0YRAS = -0.080 + 0.029 * ID0WBB\$$
ID0YSIS	$ID0YSIS = 0.016 + 1.031 * (TWPER * ID0WBB\$ / WSD)$
ID0YSUP\$	$ID0YSUP\$ = -0.083 + 1.083 * (YOL * (ID0WBB\$ / WSD))$
ID0YTR\$	$ID0YTR\$ = 0.102 + 0.786 * ((VGF_PER + VGSL_PER) * (ID0NPT / N))$
ID0YTRF\$	$ID0YTRF\$ = 0.027 + 0.011 * TRF\$$
YPADJ_ID	$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$, 4) + MOVAV(ID0WBBF\$, 4)$

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW\$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA\$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0IP26_27	Industrial production index, paper, printing, and publishing, 1996=1.0
ID0IP32_34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1996=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1996=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20_203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26_27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32_34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW35_36	Employment in machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL_ED	Employment in state and local government, except education
ID0NEWGVSLLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG_10	Employment in mining, except metal mining

ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing
ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_RS	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1996 dollars
ID0YP\$	Total personal income
ID0YPNF	Nonfarm personal income, 1996 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1996 dollars
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1996 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNFOOD96C	Personal consumption expenditures, food, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
DUM821ON	
DUM841ON	
DUM861ON	
DUM861884	
DUM871ON	
DUM951ON	
DUM981ON	
TIME	
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS_FAC	Federal government defense personnel outlays
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
JQIND20	Industrial production index, food products, 1996=1.0
JQIND201_7A9	Industrial production index, food except beverages, 1996=1.0
JQIND24	Industrial production index, wood and lumber products, 1996=1.0
JQIND25	Industrial production index, furniture and fixtures, 1996=1.0
JQIND26	Industrial production index, paper and paper products, 1996=1.0
JQIND27	Industrial production index, printing and publishing, 1996=1.0
JQIND287	Industrial production index, agricultural chemicals, 1996=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1996=1.0

JQIND33	Industrial production index, primary metals, 1996=1.0
JQIND333_9	Industrial production index, nonferrous metals, 1996=1.0
JQIND34	Industrial production index, fabricated metal products, 1996=1.0
JQIND357	Industrial production index, office and computing equipment, 1996=1.0
JQIND367	Industrial production index, electric components, 1996=1.0
JQIND37	Industrial production index, transportation equipment, 1996=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1996=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders
TRF\$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF_SL	Federal grants-in-aid to state and local governments
VGf_PER	Federal transfer payments to persons, U.S.
VGSL_PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment

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